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ABSTRACT

The Quality Assurance Program (QAP) workbook is intended to assist institutions of higher education conduct qualitative and quantitative evaluations of their financial aid operations in relation to requirements of Title IV of the Higher Education Act. The workbook provides a structured approach for incorporating a cyclical Title IV QA system into an institution's financial aid operation. First, an introduction describes the goals and objectives of the QAP, its program structure, and its task cycle. Part 1 focuses on the qualitative review and enhancement process in two chapters. The first is on the Management Assessment Task, a qualitative assessment of the financial aid operations affecting Title IV programs. The second chapter is on the Management Enhancement task, which considers how to use the results from the assessment task to implement enhancements. Part 2 presents three chapters on: the quantitative review and improvement process including the Annual Measurement Task (for quantitative assessment of the administration of Title IV funds); the Quality Improvement Task (uses results of the previous task to identify and implement quality improvements); and reporting requirements to the Department of Education. Appendixes provide a student consumer information checklist, a glossary of terms, a listing of acronyms, guidelines for Department's recognition program, QAP workbook worksheets, and guidelines for the derivation of sample sizes. (DB)

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ED 396 648

Quality Assurance Program

QAP WORKBOOK

1995-1996

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QAP WORKBOOK INTRODUCTION

The *Quality Assurance Program (QAP) Workbook* offers a framework that helps Quality Assurance Program (QAP) participants implement and maintain a successful Title IV quality assurance (QA) system. The framework allows institutions to conduct qualitative and quantitative assessments of their financial aid operations, analyze the results, implement enhancements and improvements, and share their experiences with other QAP institutions and the Department of Education (ED).

The *QAP Workbook* provides a structured step-by-step approach for incorporating a cyclical Title IV QA system into an institution's financial aid operation. It will assist the financial aid staff in developing an initial QA system that builds on their own financial aid operation. The *QAP Workbook* also provides the means to enhance the system over time.

The *QAP Workbook* is provided to the institutions in a two-part set as described below:

- Introduction — Goals and Objectives of Institutional Participation in the Quality Assurance Program, provides general information about QA and the QAP;

- Part I: Qualitative Review and Enhancement Process
  - Chapter One: Management Assessment Task describes the first task in the QAP cycle and consists of a qualitative assessment of the financial aid operations affecting the Title IV programs;
  - Chapter Two: Management Enhancement Task instructs institutions on how to use the results from the Management Assessment Task to implement enhancements; and
- Part II: Quantitative Review and Improvement Process
  - Chapter Three: Annual Measurement Task provides institutions with instructions to conduct a quantitative assessment of the administration of their Title IV funds;
  - Chapter Four: Quality Improvement Task instructs institutions on how to analyze the results of the Annual Measurement Task and identify and implement quality improvements; and
  - Chapter Five: Reporting Requirements describes the procedures for institutions to keep ED informed about their progress with the *QAP Workbook* tasks; to share information with fellow QAP institutions; and to be considered for ED's Recognition and Awards Program.

Although the *QAP Workbook* is presented in two parts, these parts should be regarded as a companion set intended to function as a unit. The information provided in the two parts, and the data obtained by completing the various tasks and activities, "flows" between the two parts.

The remainder of this Introduction addresses basic information about QA concepts and practices and fundamental aspects of participating in the QA Program. The sections of the Introduction include:

- The QAP Mission,
- Background,
- The QA Program Structure,
- The QAP Task Cycle,
- Myths and Facts About the QAP, and
- Future Plans for the QAP.

Because ED has designed this Introduction as a stand-alone document as well as an introduction to the *QAP Workbook*, ED hopes that institutions will find it useful in training financial aid office staff and in informing other institutional representatives about the benefits and responsibilities associated with QA and the QAP.

THE QAP MISSION

ED's mission is to ". . .ensure equal access to education and to promote educational excellence throughout the nation." Its mission statement indicates ED's firm commitment to and support of implementing quality improvement practices for the federal programs under its jurisdiction, including the Title IV programs—and suggests an emphasis on the delivery of top quality service to *all of its customers* (i.e., students, parents, and taxpayers).

ED's overall mission is highly compatible with QA concepts and the QAP, itself. As a result, the Secretary of Education intends to employ the legislative authority for the QAP (section 487A of the Higher Education Act, as amended) as a means of promoting more efficient and more effective use of ED's Title IV oversight resources and institutional resources dedicated to the delivery of Title IV aid.

ED's focus and direction demonstrate that the QAP does not operate in isolation. It is closely tied to ED's mission. In its opening sentences, QAP's own mission statement (see Exhibit 1, page 5) illustrates this connection:

> *The mission of the Quality Assurance Program is to assure that the delivery of student aid funds is conducted accurately, expediently, and with integrity. Institutions are empowered to examine current processes and develop new approaches that seek the highest quality standards, while demonstrating a commitment to the needs of their clients.*

Anecdotal information from the QAP participants suggests that the client-centered orientation of the ED and the QAP missions also complements the respective missions of individual institutions. That is, institutional goals regarding such functions as enrollment management, customer service, and financial aid are favorably served by ED's approach to quality assurance and to the QAP.

In the spirit of continuous quality improvement, ED's approach to quality improvement has undergone a methodological evolution since the 1985 implementation of the Institutional Quality Control Pilot Project. In addition to expanding the level of participation, the scope of the QAP is broadening from a primary emphasis on verifying the accuracy of data to analyzing other critical areas of Title IV program administration, such as:

- Institutional and program eligibility;

EXHIBIT 1: THE QAP MISSION STATEMENT

The mission of the Quality Assurance Program is to assure that the delivery of student aid funds is conducted accurately, expediently, and with integrity. Institutions are empowered to examine current processes and develop new approaches that seek the highest quality standards, while demonstrating a commitment to the needs of their clients. This mission will be met by:

- Achieving the highest degree of accuracy in the delivery of student aid through a total quality management approach to processing;
- Strengthening the capabilities of institutions to identify problems and develop creative solutions tailored to the unique needs of individual institutions and their clients;
- Establishing a measurement system that focuses on producing positive results rather than enforcing adherence to a process;
- Providing leadership and encouragement for continuous improvement and the application of the underlying quality philosophy of the Program to other appropriate areas of their institution; and
- Sharing results and strategies with other institutions and the Department of Education.

- Selected general administrative and fiscal standards;
- Refund and repayment policies and practice, including the handling of student credit account balances; and
- Management of federal funds to prevent excess cash draws and other related problems.

The following section provides more detail about the specific features of participating in the QAP.

BACKGROUND

Public and private organizations nationwide are increasingly adopting customer-oriented approaches to evaluate and improve their products and services. In so doing, they are finding that by applying quality assurance (QA) concepts to their planning and day-to-day operations, they can better respond to the needs of their customers, even within a rapidly changing environment. Not surprisingly, financial aid administrators throughout the country have integrated QA practices such as strategic planning, employee involvement through teamwork, and problem-solving techniques into their financial aid operations as a means to offer better services to their students and other constituents.

QA has become such a widely accepted management tool precisely because it is grounded in continuous improvement techniques, which are themselves based upon assessments that evaluate the functions of an operation. QA also is "results-oriented." That is, the assessments yield information that identifies areas of strength and vulnerability; and those results then are used to develop subsequent actions intended to improve the operation, such as implementing:

- Enhancements to augment or refine management practices and customer service;
- Improvements to strengthen areas of vulnerability; and
- Recognition of staff for executing successful practices to encourage ongoing participation.

Because QA is a continuous improvement management strategy, it is defined by a *cycle of activities* that consists of conducting assessments, analyzing results, and then taking actions based on results. The approach contrasts significantly with administrative processes (including integrated verification) that rely upon prescriptive, after-the-fact inspection and penalties.

THE DEPARTMENT OF EDUCATION'S EXPERIENCE WITH QUALITY ASSURANCE

For almost a decade, ED, in partnership with many volunteer postsecondary institutions across the country, has been working with QA concepts and applications to administer the Title IV programs.

The Quality Assurance Program has undergone many changes since it began in 1985. The scope and methodology for QAP have been expanded to address additional areas of vulnerability; and the number of participants has increased to include a wider variety of institutions.

Congress recognized the Pilot's success by expanding institutional participation — with the passage of the Higher Education Amendments of 1992, and the Student Loan Reform Act of 1993. Section 487A of the Higher Education Amendments of 1992 replaced the Pilot and established the Quality Assurance Program (QAP). It also gave the Secretary the authority ". . . to select institutions for voluntary participation as experimental sites to provide recommendations . . . on the impact and effectiveness of proposed regulations or new management initiatives."[1]

The Student Loan Reform Act of 1993 further broadened the use of quality assurance by requiring institutions participating in the William D. Ford Direct Loan Program (hereafter referred to as the Direct Loan Program)[2] to implement a modified quality assurance system. Institutions that participate in the Direct Loan Program are not automatically accepted into the QAP, and only institutions participating in the QA Program are exempt from selected sections of the verification regulations — Direct Loan Program participants continue to fully implement integrated verification procedures (see Exhibit 4).

Institutions participating in the Direct Loan Program are required to establish a quality assurance system within their financial aid office that is similar to the QAP. However, the activities the Direct Loan Program institutions are required to conduct are focused specifically upon direct lending only. Direct Loan institutions are required to conduct an abbreviated version of the QAP assessment of their financial aid office practices and procedures, to identify areas of weakness in their operations and to identify possible improvements to address weaknesses. Direct Loan institutions are encouraged to apply to the QAP to experience the benefits of a full QA approach to the administration of all Title IV programs.

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[1] The authorizing language for both the QAP and the experimental sites authority appears in section 487A of the Higher Education Act of 1965, as amended.

[2] The authorizing language requiring institutions to implement a QA system in order to participate in direct lending appears in section 454 of the Higher Education Act of 1965, as amended.

THE BENEFITS OF USING QA TO ADMINISTER THE TITLE IV PROGRAMS

There are two important reasons QA has proven to be a successful strategy for enhancing the quality of financial aid operations and for increasing award accuracy. First, QA provides institutions with the administrative flexibility to develop and implement resource-effective and institution-specific procedures and policies. An institution has the opportunity to tailor methods and processes to accommodate, in context, the characteristics of the institution and its student populations. Second, institutions must demonstrate increased accountability in the management of the Title IV programs in exchange for the administrative flexibility QA offers.

Since 1985, both ED and participating institutions have noted a variety of positive outcomes from a system that emphasizes a cycle of assessments, improvements, and preventative actions, rather than a system that reinforces prescriptive, after-the-fact inspection and penalties. (See Exhibit 2 for a partial list of benefits).

As indicated in Exhibit 2, the benefits of providing institutional flexibility in exchange for institutional accountability are substantial. ED benefits because QA strengthens its ability to oversee the Title IV programs, without imposing additional prescriptive measures on institutions. The institutions benefit because they can develop administrative approaches that are best suited to meet their individual institutional and student demands, thus providing students with better "customer service." Taxpayers benefit because ED and institutions — working in partnership —

EXHIBIT 2: BENEFITS OF THE QA PROGRAM

- Provided statistically valid reductions in QA Readings* for overawards and underawards.
- **Increased institutional control over methods of validating data to determine awards, thus allowing institutions to focus limited staff and other resources on efforts that are more likely to have a positive impact on student services.**
- Reduced ED program review activity at QAP institutions if warranted by QAP reports from institutions that show continuous improvements and positive trends in reducing QA Readings.
- **Improved institutional Title IV audits resulting in reduced financial liability and decreased staff time needed by institutions and ED to resolve audit exceptions.**
- Increased student satisfaction as institutions make more effective use of staff to meet genuine needs and to address operational weaknesses in the delivery process that cause delays or inaccuracies.
- **Increased awareness by other functional areas at the institution, such as the registrar and business office, of the financial aid office's commitment to improve quality, resulting in increased willingness to work with the financial aid office to enhance services.**
- Enhanced management and office procedures facilitate implementation of the Federal Student Direct Loan Program.
- **Processed financial aid in a more efficient and productive manner.**
- Developed techniques to reduce QA Readings.
- **Provided relief from prescriptive integrated verification requirements, and the opportunity to customize verification.**
- Improved services to students.
- **Complemented and enhanced existing office management style.**
- Incorporated the principles of Total Quality Management (TQM) on campus.

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* QA Readings help assess the efficiency with which Title IV aid is delivered. To produce an accurate picture of the student aid delivery system, literally dozens of such readings are necessary. QA Readings are interpreted to identify vulnerable areas of the operation. Based on the interpretation of QA Readings, quality improvements are designed and implemented to strengthen weaknesses in the process.

can maintain more effectively the integrity of the Title IV programs. Ultimately, though, it is the student consumer who benefits, due to an increased responsiveness, relevance, and accountability on the part of both the institution and the Department of Education.

THE QAP PROGRAM STRUCTURE

Previous sections identified the broader benefits of participating in the QAP, such as increased administrative flexibility, improved institutional management of Title IV program funds, and better customer service. Those benefits are a result of the following elements within the QAP structure:

- The QAP Participation Agreement;
- Program features that facilitate institutional participation;
- Program features that assure institutional accountability; and
- The use of results from QAP activities.

THE QAP PARTICIPATION AGREEMENT

Institutions enter into a formal agreement with ED as a condition of participation in the QAP. The QAP Participation Agreement is signed by the institution's financial aid administrator, president, or chief administrative officer (or designee), as well as a representative of ED's Performance and Accountability Improvement Staff (PAIS) — which operates within the Office of Postsecondary Education (OPE) and is responsible for overseeing the QAP.

The scope of the QAP Participation Agreement is defined by the seven requirements QAP institutions perform as part of establishing a QA system. (See Exhibit 3 for a list of the requirements).

In addition to defining the scope, the QAP Participation Agreement covers five specific areas of understanding, as follows:

- period of performance,
- institutional requirements,
- OPE assurances,
- institutional commitments, and
- termination of participation.

The *period of performance* is generally two years, and begins on July 1. OPE acknowledges in the agreement that verification procedures and processes, including changes from the previous year, ordinarily are put into place prior to July 1. As a result, the agreement covers changes that an institution may make to its verification program.

Institutional requirements consist of several components that perhaps are best underscored through examples. For example, an institution must examine statistical samples of its Title IV financial aid recipients, and collect and analyze data related to award determinations, disbursements, refunds, and all processes associated with those functions. A QAP institution takes readings to assess the accuracy of its delivery of Title IV aid and identifies areas of potential vulnerability, implements quality improvements, remeasures in subsequent years, and reports progress, findings, and results to OPE on a regular basis or upon request. The institution also:

EXHIBIT 3: REQUIREMENTS OF THE QAP INSTITUTIONS

Requirements	Descriptions
Requirement #1: Training	❖ Attend annual training workshops.
Requirement #2: Controls	❖ Assess existing controls and management practices ❖ Identify additional needed controls related to the management of Title IV funds.
Requirement #3: Statistics	❖ Select annual statistical sample of Title IV financial aid recipients to review, monitor, and measure the quality of the institution's student aid delivery system.
Requirement #4: Analysis	❖ Analyze the institution's QA Readings to determine probable cause(s).
Requirement #5: Design and Implementation	❖ Design and implement a quality improvement program to reduce or eliminate sources and causes of significant QA Readings and other deficiencies identified in the QAP measurement process and management assessment activities *(includes implementing institutional verification program in lieu of the specified federal verification requirements from which the QAP institutions are exempt).*
Requirement #6: Reporting	❖ Report progress on implementing and maintaining the QA system twice a year to OPE. Share successful practices with OPE and other QAP institutions.
Requirement #7: Evaluation	❖ Provide OPE and its contractor with data needed to evaluate the overall effectiveness of QAP in identifying and reducing QA Readings.

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- Develops a QA system that implements all of the key components set forth in the *QAP Workbook;*

- Corrects regulatory errors detected in the QAP sample that are correctable at the institutional level; and

- Uses the QAP data for management information purposes and for strengthening its internal systems and aid delivery program, as well as for improving students/customer service.

As a mechanism to help institutions meet these requirements and provide responsible oversight, OPE may choose to conduct a QA Program site review. Similarly, institutions may request site reviews.

OPE provides assurances to QAP institutions in several areas, including how ED uses the data that QAP institutions report. The QAP Participation Agreement states that OPE will not:

- Extrapolate program-wide data from the sample selected by the institution to conduct the required statistical analysis;

- Assess financial liability based on such extrapolations; or

- Make public any institution-specific data as part of program evaluation or progress review activities.

Other assurances include institutional exemption from certain verification regulatory requirements (see Exhibit 4). In addition, OPE offers the possibility for institutions to serve as experimental sites, thus becoming eligible for additional statutory or regulatory exemptions. More information about experimental

EXHIBIT 4: FEATURES FACILITATING INSTITUTIONAL PARTICIPATION

Feature	Description
Exemptions from Regulatory Requirements	Currently, QAP institutions are exempt from these *selected sections* of the verification regulations in Part 668 — Student Assistance General Provisions, Subpart E: Sections 668.53(a)(1) through (4); 668.54(a)(2), (3), and (5); 668.56; 668.57; and 668.60(a), November 29, 1994.
Training and Technical Assistance	ED conducts annual training workshops. In addition, individual ED staff are assigned to institutions to provide technical assistance by telephone or, on occasion, to conduct on-site reviews. Contractor support also is available to help institutions with the QAP software.
Sharing Information and Experiences with ED and Fellow QAP Institutions	ED encourages QAP institutions to share information and experiences. In addition to the reports institutions submit to ED, ED has solicited successful practices from participating institutions and compiled the information into a publication entitled, *Successful Practices of Institutions in the Institutional Quality Assurance Program* (see Appendix A for excerpts). QAP institutions also are encouraged to seek opportunities to communicate with each other. To assist, ED has created a communications mechanism to help new QAP institutions (see QAP Partnership Program below).
Participation in the QAP Partnership Program	This is a voluntary program in which continuing QAP institutions are matched with new institutions based on specific institutional characteristics, such as location, size, and type. Each set of partner institutions commit themselves to work on QAP-related areas that best meet the needs of the new institution. As a result, each partnership is unique. ED and the participating institutions jointly conduct an annual review to determine the success of the QAP Partnership Program.
Participation in the QAP Recognition and Awards Program	ED sponsors annual non-monetary awards to recognize the achievements of institutions and individuals participating in QAP. The award categories consist of Leadership, Individual Recognition for the Advancement of Quality Improvement, Institutional Achievement, Individual Peer Recognition, and Institutional Model of Quality. The awardees for the first three categories are selected by PAIS. The awardees for the remaining two categories are chosen by a selection committee composed of not more than five QAP institutional representatives (which includes the chairperson) and one PAIS representative.

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sites is provided in the entitled, "Future Plans for QAP" section of the Introduction. OPE assurances notwithstanding, the QAP Participation Agreement states clearly that institutions *are not exempt* from complying with the provisions of the Title IV Program Participation Agreement, except for the waivers expressly specified in the QAP Participation Agreement.

The QAP Participation Agreement states that *institutions demonstrate their commitment* to implement and maintain a QA system by making every effort to secure the resources necessary to successfully complete QAP activities. Evidence of an institution's commitment are stipulated in the QAP Participation Agreement, as follows:

- *Establishing a QA team with sufficient management authority and resources to conduct program activities;*
- *Integrating QA into the routine operations involved in financial aid delivery;*
- *Involving as many institutional offices (i.e., admissions, registrars, bursars) in the QA process as is feasible and necessary;*
- *Providing visibility for the QA Program throughout the institution, and informing senior management of QAP findings and benefits;*
- *Securing the computer hardware and software (and appropriate staff) necessary to use the Annual Measurement software; and*
- *Providing funds for at least one QA team staff member to attend an annual QAP training workshop.*

The Department of Education is firmly committed to helping institutions succeed in the QA Program. For this reason, ED produces the *QAP Workbook*, offers training workshops and technical assistance, sponsors the QAP Partnership Program, and acknowledges achievement through its Recognition and Awards Program. However, as authorized under section 487 of the Higher Education Act of 1965, as amended, OPE reserves the right to *terminate participation* for nonperformance. Nonperforming institutions include those that are unable to satisfactorily perform the required QAP activities, or institutions that are found, through a program review or inspection, to no longer meet the published criteria for participation. Institutions also may terminate participation on their own initiative or by mutual agreement with OPE. Once an institution is excused or withdraws from the QAP, it is not entitled to any of the regulatory or statutory exemptions bestowed by the program.

PROGRAM FEATURES THAT FACILITATE INSTITUTIONAL PARTICIPATION

ED recognizes QAP institutions' need for a framework that fosters trust and a partnership with ED, and that acknowledges the significant commitment required of QAP institutions. Consequently, ED has incorporated five major program features into the QAP (see Exhibit 4) to provide participating institutions with administrative flexibility, sufficient technical support, and recognition for their efforts.

PROGRAM FEATURES THAT ASSURE INSTITUTIONAL ACCOUNTABILITY

The features that facilitate institutional participation promote the QAP's success. However, success for individual institutions also depends heavily upon institutional commitment to the QA process — a commitment that generally requires:

- shifting management style,
- using a team approach,
- involving senior level management, and
- having or obtaining sufficient resources.

A *sustained and proactive management style* on the part of financial aid staff is a key component of the QA system, as it generates a foundation for planning activities and for accomplishing tasks, without defaulting to so-called "quick-fix" techniques in reaction to imminent crises. By operating proactively, rather than reactively, QAP institutions have achieved positive results by helping financial aid staff think about and manage the financial aid programs in a manner that yields continuous improvement.

QAP institutions have found that a *team approach* is a useful technique to develop the necessary staff support for implementing a QA system. The team approach is effective because it helps coordinate QA procedures within and across institutional functions that may include the financial aid office as well as the registrar, business office, or other areas of responsibility.

QA fosters a sense of ownership and commitment in members of the QA team; and it constitutes a pool of resources from which to gather information, generate ideas and implement tasks. Because the team approach aids in the dissemination of information about the QA system, it tends to increase visibility with senior management and the potential for subsequent support for QA initiatives, which then contributes to achieving a widespread commitment to improving quality at the institution.

The QAP institutions have identified a team approach as an important technique to use in developing the necessary staff support for implementing a quality assurance system. Such employee involvement through the use of teams is effective because it accomplishes several important objectives, including the following:

- Helping to coordinate quality assurance procedures within and across institutional offices;
- Promoting a sense of ownership and dedication to the QA process;
- Providing a pool of resources for information, ideas, and implementation;
- Aiding in the dissemination of information about the quality assurance system, thereby increasing visibility and potential support; and
- Contributing to a widespread commitment to improving quality both within and across institutional offices.

In addition, staff members who volunteer to work on a team are far more committed to the QA Program than staff assigned to the team.

Based on the experience of continuing QAP institutions and other organizations committed to continuous improvement, it also may be concluded that team members work more effectively when they receive adequate training and recognition for their contributions to the team's effort. A brief description of examples of training and recognition is provided below:

- **Training** consists of activities that enhance teamwork, such as team building, brainstorming, and problem-solving. (OPE's QAP team will help you design and implement those activities.) Just as importantly, training includes providing opportunities for staff members to become more technically proficient, through participation in ED training workshops, programs offered by various associations, and in-service training sponsored by the institutions themselves. Some QAP institutions have utilized their access to academic staff to conduct workshops on effective communication and team building.

- **Recognition** is an important way to let staff members know that the efforts they are making to establish and maintain the level of excellence within the financial aid operation are appreciated. (The QA Program's Recognition and Awards Program is an example of the way in which appreciation for work can be demonstrated.) Examples of ways to recognize staff also include written commendations from institution presidents or deans, other award ceremonies, and announcements in institutional newsletters or newspapers.

As a general rule, benefits from the QAP are directly proportional to the level of *involvement of senior management.* That they be involved from the start in the QA effort is crucial and helps to establish an environment conducive to change, as well as continuous improvement to customer service, and employee innovation, risk-taking, and pride in work performance.

Successful participation in the QAP depends upon having *sufficient resources* available to the financial aid office in terms of staff and automation. Appropriate staffing levels are necessary to deal with the implementation and maintenance of a QA system. If the staff of an institution's financial aid office is adequate prior to joining the QAP, hiring additional staff should not be necessary in order to participate. The financial aid office, though, must have at least some degree of automation. Without it, institutions will not be able to use ED's QAP Software, which is an essential program tool.

Participants new to the QAP should be aware that the benefits are generally not realized immediately. It takes at least one or two years before the results of change can be measured. However, current QAP institutions agree that the benefits in the second or third year of participation, and thereafter, are well worth the initial effort.

USE OF THE RESULTS FROM THE QAP ACTIVITIES

Quality Assurance Program evaluations have indicated that QAP institutions have reduced their QA Readings at statistically significant levels, thus improving the accuracy of student awards. The QAP helps institutions improve award accuracy by placing emphasis on using results to help determine the need for continuous improvement.

To ensure accountability, QAP institutions provide OPE with data and reports on their individual progress and achievements, which are confirmed through QA Program site reviews and the use of other monitoring activities. With QAP results, institutions have the ability to manage their student aid programs more effectively, because they can focus more on outcomes and on meeting the needs of their customers. The improvements gained from using this approach benefit the students, the institutions, and the taxpayers.

THE QAP TASK CYCLE

Institutions participating in the QAP complete specific tasks and activities to develop and maintain their QA systems. As shown in Exhibit 5: QAP Task Cycle, the tasks constitute a cycle of:

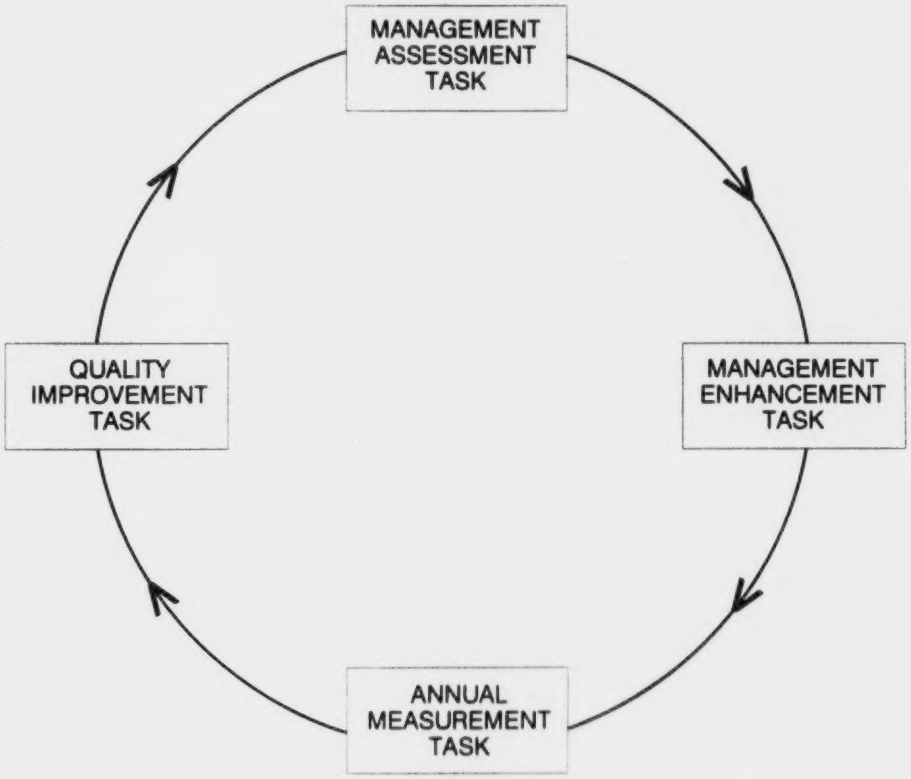
- Conducting the *Management Assessment Task,* a qualitative analysis of the financial aid operation;
- Implementing the *Management Enhancement Task,* to respond to the results of Management Assessment;
- Conducting the *Annual Measurement Task,* a quantitative analysis that assesses accuracy in awarding Title IV funds; and
- Implementing the *Quality Improvement Task,* to strengthen areas of vulnerability identified by the Annual Measurement.

Institutions provide information about institutional progress and successful practices, the latter to be shared with other QAP institutions, by completing the *Reporting Requirements* contained in Chapter Five. These Reports are submitted twice a year to ED.

Start-up for the full cycle requires two years for new institutions. New institutions are required to conduct the Management Assessment Task and begin the Management Enhancement Task during the first year of QAP participation. The first year focuses on gathering qualitative data to evaluate the effectiveness of operational activities. Institutions will continue to take actions in the second year to enhance management policies and procedures and improve quality based on the results from the qualitative information collected and analyzed during the first year. They also will

EXHIBIT 5

The QAP Task Cycle


MANAGEMENT ASSESSMENT TASK
MANAGEMENT ENHANCEMENT TASK
ANNUAL MEASUREMENT TASK
QUALITY IMPROVEMENT TASK

conduct the evaluation cycle again. As a result, institutions are able to assess, analyze, and improve operations on a continuous basis.

Exhibit 6 provides an introduction to the general activities and steps the institutions will be expected to perform for each task of the QA system cycle. Detailed information about completing, successfully managing, and reporting on these tasks appears in chapters one through five.

MYTHS AND FACTS ABOUT THE QAP

A number of misunderstandings exist about QAP participation. These misunderstandings are generated by those unfamiliar with the purposes and objectives of the Program. Exhibit 7 identifies the most common myths or misunderstandings about the QAP and seeks to dispel them with facts.

FUTURE PLANS FOR THE QAP

The QAP is on the threshold of a number of initiatives that focus on expanding the size and scope of the program. Effective with the 1995-96 award year, the Notice to Recruit new QAP institutions will include an expanded selection criteria that will allow a broader range of institutions to apply. The Program scope has been expanded to include additional areas of Title IV program administration, (e.g., institutional and program eligibility, general administrative and fiscal practices refund and repayment policies, management of federal cash).

EXHIBIT 6:
ED-RECOMMENDED SCHEDULES OF ACTIVITIES FOR EACH TASK IN THE QA PROGRAM CYCLE

Name of Task	General Activities and Steps	Suggested Timeframe
	YEAR ONE	
Preliminary Steps	❖ Become familiar with the *QAP Workbook*	Prior to attending QAP Training Workshop
	❖ Create a QA Master File (either computer or hardcopy file) for all documents and information related to QA activities	Prior to attending QAP Training Workshop
	❖ Communicate with senior management	Prior to attending QAP Training Workshop
Management Assessment Task	❖ **Assemble task team(s) and develop MA Task Schedule (MA-1)**	**No later than October 1**
	❖ **Complete Worksheet MA-2: Develop a Flowchart of Procedures Used to Deliver Aid**	**Initiate by October 1**
	❖ **Complete Management Assessment Worksheet MA-3 (a, b and/or c)**	**Complete no later than August 15. Submit with End-of-Year Report.**
Management Enhancement Task	❖ Assemble task team(s) and develop ME Task Schedule (ME-1)	Initiate immediately after completing MA Task
	❖ Complete Worksheet ME-2: Management Enhancement Action Plan for each identified enhancement action	No later than August 1. Submit with End-of-Year Report.
Year One Reporting Requirements	❖ Status Report on MA/ME Tasks (Mid-Year Report)	February 15
	❖ Report Summary of Year One Activities (End-of-Year)	August 15

*The dates are suggested timeframes for initiating or completing each task. Completion of a task will depend upon the individual institution's calendar.

EXHIBIT 6:
ED-RECOMMENDED SCHEDULES OF ACTIVITIES FOR EACH TASK IN THE QA PROGRAM CYCLE (Continued)

Name of Task	General Activities and Steps	Suggested Timeframe
	YEAR TWO AND SUBSEQUENT YEARS	
Preliminary Steps	❖ Become familiar with any *QAP Workbook* replacement pages	Prior to beginning year-two activities
	❖ Update QAP master file to begin second or subsequent year	Prior to beginning year-two activities
	❖ Continue communicating with senior management	Prior to beginning year-two activities
	❖ Review and update Management Assessment activities	Prior to beginning year-two activities
	❖ Review Management Enhancement plans/progress	Prior to beginning year-two activities
Annual Measurement Task	❖ Assemble task team(s) and develop AM Task Schedule (AM-1)	Sept 1-Oct 1
	❖ Select QAP sample and complete Worksheet AM-2: QAP Sample Selection Data for Random QAP Sample	Oct 15-Nov 15
	❖ Complete Worksheet AM-2a: Required Third Party Certification	No later than November 15
	❖ Complete Worksheet AM-3: Documentation Collection Information	No later than November 15
	❖ Conduct follow-up with non-respondents	No later than December 31
	❖ Complete Worksheet AM-4: QAP Software Data Entry Form for each complete QAP sample case	No later than July 15
	❖ Complete data entry onto QAP Software	No later than July 15
	❖ Complete Activity Five: Analyze Results	No later than July 15
	❖ Submit annual measurement data diskette	No later than July 15
Quality Improvement Task	❖ Assemble task team(s) and develop QI Task Schedule (QI-1)	Initiate after completion of AM Task. No later than July 15
	❖ Complete Worksheet QI-2: Quality Improvement Action Plan	July 15-Aug 15
	❖ Implement Quality Improvements	Aug 15-Feb 15
	❖ Monitor and follow-up	Aug 15-Feb 15
Year Two Reporting Requirements	❖ Mid-Year Report	February 15
	❖ End-of-Year Report	August 15

*The dates are suggested timeframes for initiating or completing each task. Completion of a task will depend upon the individual institution's calendar.

[illegible]HIBIT 7: MYTHS AND FACTS ABOUT THE QA PROGRAM

[illegible]	Fact
QAP Institutions are never subject to program reviews.	QAP institutions are not subject to *routine* program reviews. *However,* QAP institutions can be subject to program reviews under unusual circumstances or in an emergency situation. Further, if a QAP institution is selected for a program review through the "priority factor" system, the review could take place if the data warrant, but only after careful study by the Institutional Monitoring Division (IMD) and consultation with the Performance and Accountability Improvement Staff (PAIS). QAP institutions selected for program reviews would be notified by PAIS. IMD would inform PAIS of the disposition of the review in order to determine whether any action is necessary with respect to the QAP institution's ongoing participation in the Program. IMD holds QAP institutions to the same standards and actions as other institutions participating in the Title IV programs when regulatory errors are identified during a program review. Any regulatory errors carrying liability are subject to appropriate action by IMD. QAP institutions are expected to correct any regulatory violation identified within the required statistical sample and in the institution's aid population, as appropriate. Therefore, the statistical samples drawn by a QAP institution will not be used to extrapolate liability across an institution's entire aid population. Liability will be confined to those errors which arise from the individual recipients sampled, which does not preclude IMD from drawing another and different sample from the same award year(s), or directing the institution to do so.
QAP [illegible]ons are never subj[illegible]udits.	**QAP institutions are subject to the same audit requirements as all other institutions participating in the Title IV programs.**
QAP Institutions are exempt from regulatory requirements.	QAP institutions are exempt from specific verification regulations, as described in Exhibit 4. Some QAP institutions may be exempt from other regulatory and statutory requirements under the experimental sites provisions of the Higher Education Act of 1965, as amended (section 487A). More information on experimental sites appears in the Introduction under the heading, "Future Plans for QAP."

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EXHIBIT 7: MYTHS AND FACTS ABOUT THE QA PROGRAM (Continued)

Myth	Fact
[illegible]	Institutions are exempt from [illegible] but they design institutional [illegible] that target problem data [illegible] their campus. The QA team [illegible] and analyze data which [illegible] their verification, rather than following [illegible] that is applied at all institutions without [illegible] the unique circumstances of each [illegible]
QAP is too burdensome.	Institutions learn another way to manage their programs and serve students. Start-up is labor intensive, but institutions find the results are worth the investment. The QAP is a cycle of improvement. Institutions plan, assess, measure, analyze, correct/improve. Institutions strengthen their office policies and procedures; improve the accuracy of awards and overall service to students.
QAP institutions are not required to correct or adjust QA Readings or data identified in the QAP sample.	**QAP institutions are not exempt from the regulatory requirement regarding the resolution of all conflicting documentation. All QA Readings identified must be corrected and adjusted during the award year in question.**

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In addition, ED continues to explore the possibility of using the *experimental sites authority* as one way of providing QAP institutions with the ability to propose new and innovative approaches to managing their student aid delivery system, in exchange for relief from regulatory requirements.

EXPANDING THE NUMBER OF QAP PARTICIPANTS

ED has decided to dramatically increase the number of QAP participants from the current 92 institutions. In addition to bringing the benefits of the QAP to a greater number of institutions that have demonstrated strong administrative capability and financial responsibility, the expansion will:

- Promote confidence that taxpayer dollars for Title IV student aid are spent appropriately;
- Enable ED to target its limited resources for on-site program review and compliance activities on institutions that have not adopted or followed similar QA measures; and
- Alleviate the burden of adhering to specified Title IV regulations, when adherence is unlikely to result in improved performance or accountability and may even be counterproductive.

This expansion is expected to be in place for the 1995-96 academic year.

EXPANDING THE SCOPE OF THE QAP

Experimental Sites. The Higher Education Amendments of 1992 included provisions in section 487A, the authorizing language for the QAP, in order that ED can select current QAP institutions for voluntary participation as experimental sites. Experimental sites serve the purpose of advising ED on the impact and effectiveness of proposed regulations and new management initiatives. The statute also allows institutions participating as experimental sites to obtain waivers from Title IV statutory or regulatory requirements that would bias the experimental results.

The experimental sites authority allows ED to extend exemptions beyond the traditional waiver for certain verification regulations (see Exhibit 4). ED is working on implementing this authority so that selected QAP institutions can benefit from additional regulatory exemptions in order to develop their own administrative processes in other areas of the Title IV programs.

Performance Measurement. ED will augment the traditional Annual Measurement Task by considering other areas critical to the administration of the Title IV programs. This activity will coincide with broader initiatives to develop performance-based regulations. ED will work on QA indicators in partnership with QAP participants.

ACCOUNTABILITY AND STEWARDSHIP

Using data available at ED, PAIS will generate reports electronically to monitor fiscal management capabilities in the processing and administration of financial aid. This expanded oversight and monitoring through partnership will enable PAIS to provide more targeted technical assistance to institutions that need it — and strengthen accountability to taxpayers for strong, effective stewardship of federal dollars.

SUMMARY

With a focus on problem prevention and continuous improvement, the Quality Assurance Program empowers institutions to manage more effectively to meet their mission of student aid delivery. The QA Program helps institutions move beyond basic compliance to continuous improvement, with the emphasis on results benefiting students, institutions, and taxpayers — all of which is achieved through a strengthened partnership between the Department of Education and the QAP institutions.

❖ CHAPTER ONE

MANAGEMENT ASSESSMENT TASK

OVERVIEW

The starting point for strengthening your quality assurance program is to evaluate and analyze your existing procedures, practices, and policies and determine where improvements are needed. This task demands a comprehensive qualitative evaluation of your office practices, and requires that three activities be completed: (1) a Task Schedule; (2) a Process Flowchart; and (3) a Management Assessment Worksheet. Based on the three activities, you will be able to assess your delivery system and general office quality assurance procedures; and you will gain a more thorough understanding of precisely what quality assurance means, not only in your institution's financial aid office, but also in other offices involved in the administration of Title IV student financial assistance.

The Management Assessment performed in this task must be documented and maintained in the institution's quality assurance files; the assessment is the basis for the management enhancements implemented in the Management Enhancement (ME) Task that are ultimately required to be reported in the QA reporting process (see "Chapter Five: Reporting Requirements"). While the MA and ME Tasks focus on the assessment and enhancement of qualitative management procedures in administering Title IV student financial aid, the Annual Measurement and Quality Improvement Tasks focus on a quantitative evaluation of the accuracy with which Title IV funds are awarded and disbursed to students.

As stated above, the Management Assessment Task consists of the following general activities: developing a task schedule, completing a Process Flowchart, and completing a Management Assessment Worksheet. Several steps are involved in each of these activities, as outlined below:

- Activity One: Schedule of Activities for the Management Assessment Task (Worksheet MA-1)
    - Plan MA Task;
    - Develop a schedule and determine appropriate timeframes for completing MA activities;
    - Identify staff responsible for each MA activity; and
    - Record actual date each MA activity is completed.
- Activity Two: Develop a Flowchart of Procedures Used to Deliver Aid (Worksheet MA-2)
    - Document current aid delivery system and quality assurance procedures; and
    - Evaluate efficiency of current system.
- Activity Three: Complete the Management Assessment Worksheet (Worksheet MA-3)

- Identify and assess existing procedures and policies;
- Examine documentation of procedures and policies; and
- Evaluate adequacy and comprehensiveness of procedures.

Upon completing these activities, you will have performed a qualitative assessment of your operation (i.e., you will have determined whether those procedures and policies are designed to ensure adequate quality in delivering aid at your institution). By examining your office procedures through the management assessment, you also may determine that some of your operating procedures are designed insufficiently or not documented adequately enough to ensure compliance with program requirements, or that some procedures are missing. Unless corrected, these qualitative deficiencies may limit your ability to (a) implement a comprehensive system of quality improvement, and (b) increase award accuracy at your institution. The Management Assessment Task helps identify existing procedures you will enhance or new procedures you will implement. Activities in the MA Task will guide you through the process of addressing the deficiencies you identify.

You must complete Management Assessment activities during the first year you begin QA Program participation. New participants should carefully complete the Process Flowchart activity (its usefulness and tips on how to construct a flowchart are described later in this chapter). Continuing institutions should annually review and update the flowchart to incorporate changes made to their delivery system throughout the year.

There are three types of management assessment worksheets, as described in Exhibit 1-1.

EXHIBIT 1-1
MANAGEMENT ASSESSMENT WORKSHEET OPTIONS FOR THE 1995-96 QA PROJECT YEAR

Type of QAP Management Assessment Worksheet	QAP-Only Participants	QAP-and-Direct Loan Participants	
		Direct Loan[*] Comprehensive MA	Direct Loan Abbreviated MA[**]
Comprehensive Assessment (MA-3a)	Required	NA	Required
Core Assessment (MA-3b)	NA	NA	NA
Focus Module (MA-3c)	NA	NA	NA

[*] These institutions completed the QAP Comprehensive MA Worksheet as part of their Direct Loan requirements.

[**] These institutions elected to complete the abbreviated DL MA Worksheet as part of their Direct Loan requirements.

Although you have the latitude to complete the Management Assessment activities throughout the year, we encourage you to complete as many as possible between August and the end of November. You will report your progress in completing these activities when you submit the Mid- and End-of-Year Reports. (See reporting calendar in Chapter Five: Reporting Requirements.)

ACTIVITY ONE: SCHEDULE OF ACTIVITIES FOR THE MANAGEMENT ASSESSMENT TASK

The first activity you will complete as part of the Management Assessment Task will be to plan all required activities, using Worksheet MA-1: Schedule of Activities for the Management Assessment Task. Worksheet MA-1 lists the various activities, completion dates suggested by ED, the team member responsible for each activity, and the actual date each activity is completed. The QAP allows for flexibility in task schedules, based on individual institution circumstances and calendars. However, keep in mind that QA Program history indicates that when institutions operate their QA Programs within the timeframes suggested by ED, they are far more likely to be successful in completing the MA activities. The schedule should be updated as MA activities are completed.

WORKSHEET MA-1
SCHEDULE OF ACTIVITIES FOR THE MANAGEMENT ASSESSMENT TASK[1]

Management Assessment Activity	Suggested Date for Successful Implementation	Staff Responsible/ Team Member	Date Completed (Actual)
Select team members to complete MA activities.	No later than October 1.		
Complete Worksheet MA-1: Schedule of Activities for the Management Assessment Task.	No later than October 1.		
Complete Worksheet MA-2: Develop a Flowchart of Procedures Used to Deliver Aid.	Initiate by October 1.		
Complete Activity Three: Complete the Management Assessment Worksheet (MA-3a or b and c).	Complete no later than August 15. Submit with End-of-Year Report.		

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[1] Make a copy of this Worksheet for each team member responsible for completing Management Assessment activities. Post one copy in the office, and place the original schedule in your master QAP File.

ACTIVITY TWO: DEVELOP A FLOWCHART OF PROCEDURES USED TO DELIVER AID

The second activity in the Management Assessment is to *describe* your work in the financial aid office using a process flowchart rather than by narration. A process flowchart is a graphic representation of the sequence of steps performed to produce an output — service or product.

Completion and annual evaluation of a flowchart are pivotal activities in the overall quality assessment process. By examining existing procedures, you set the stage for integrating new or enhanced quality assurance procedures into your current delivery system. An up-to-date flowchart also is an important quality control document, since it helps you to identify and to establish additional quality control procedures, as needed. The flowchart graphically displays all of the steps and processes involved in your financial aid delivery system; and also is useful in the following ways:

- As a mechanism for identifying the relationships among major program functions, offices (e.g., bursar, registrar, admissions), and processing steps, depicting similarities as well as inconsistencies within processes;
- As a reference for determining how to disseminate information;
- As a mechanism for identifying the points at which internal controls relate to aid processing steps;
- As a critical document in analyzing the sources of QA Readings identified during the Annual Measurement Task (described in Chapter Three); and

- As a source document for training employees.

Use of Teams for Flowcharting

Using teams is an effective way to complete flowcharts. A process flowchart gives all team members an understanding of the entire work process and how the different components fit together. Team members often find that while each member possesses detailed knowledge about his or her portion of the process, few members are knowledgeable about the entire process. A detailed flowchart fills this knowledge gap, and team members become full partners in completing subsequent steps.

A process flowchart is a powerful tool, not only in quality assurance, but in continuous improvement and quality planning. The flowchart helps you to:

- Document an existing process;
- Provide a common language, ensuring all people in the process understand it in the same terms;
- Identify weaknesses or problems in the existing process;
- Improve the existing process;
- Identify how, when, and where to measure an existing process to determine whether it is in compliance with all requirements; and
- Design an entirely new process.

However, to provide these benefits, the flowchart must accurately represent the process. Remember, the flowchart is a reflection of *what the process is,* not of *what the process should be*.

Flowcharts are constructed using standardized symbols that are sequentially arranged to illustrate the steps in the work process. While there are numerous specialized symbols, most flowcharts can be generated by using the following basic symbols:

○ Terminal: Identifies the beginning or end of a process.

□ Activity and Process: Identifies a single step in the larger process. A brief description of the function, activity, or operation is contained within the box, and it usually begins with a verb.

◊→ Decision: Designates a decision point within the process. A brief description, in the form of a question, is contained within the diamond. The answer to the question is "YES" or "NO," either of which leads to a separate path that continues the process.

▭ Document: Represents a form or other written piece of information pertinent to the process. The title or description of the document is shown within the symbol.

⇒ Arrow: Indicates the direction or flow, from one step or function to the next. An activity may have only one main path. A decision will have two main paths (e.g., "Yes" or "No").

Steps to follow:

1. Ensure that all teams include and involve appropriate staff who can accurately describe the process;

2. Define the boundaries of the process (i.e., the starting point (input) and the ending point (output or product) of the work process);

3. Document your process. Detail each of the major steps, functions, and decisions within the work process. Break down the general activities into specific component steps, to allow you to see what actually occurs within the process. The process flowchart starts with a *terminal* symbol. From this starting point, use the flowchart symbols to detail the steps (activities, decisions) in the work process. When you encounter a decision point, we recommend that you choose one branch or path ("Yes" or "No") and describe it until its conclusion; then, return to the second branch and complete that path;

4. Identify the individuals or positions responsible for completing the activities in the work process; and

5. Review the completed flowchart to determine whether you have missed any decision points, activities, or special cases that might cause some work to follow a different path.

We have provided you with a model process flowchart that illustrates the major steps in Title IV aid delivery. Your institution may operate differently, using different or additional steps. If you have already prepared a flowchart, you have two options for completing this task:

Flowchart Software Programs

You should note that there are several software programs available to assist you in preparing your flowchart (e.g., Microsoft Office). Utilizing this technology will simplify your annual updating and revision activities.

- Option 1: Complete the flowchart Worksheet (MA-2); identify ways in which your operation differs and indicate in the spaces provided the person(s) responsible for each major activity; or

- Option 2: Substitute your own flowchart for Worksheet MA-2.

You may find that displaying a copy of your completed flowchart in an area where it can easily be seen by staff, or providing copies of the flowchart to all staff will encourage discussion regarding the process described, and may lead to suggestions for improvement.

Refer to your flowchart, if you experience problems or identify flaws in your system. The visual representation may assist you in identifying the source of the problem and may enhance your ability to act quickly to implement quality enhancements.

WORKSHEET MA-2: FLOWCHART OF AID DELIVERY

Update your flowchart periodically to reflect any changes in your operation. Remember to file a copy of the completed flowchart in your quality assurance file for future reference. You will need to refer to this flowchart as you complete the remainder of your MA activities. Remember to update your plan (referring to the calendar in the Introduction), including the dates you began and completed Worksheet MA-2 (or your own flowchart) and the person(s) responsible for completing this activity.

ACTIVITY THREE: COMPLETE THE MANAGEMENT ASSESSMENT WORKSHEET

This Management Assessment activity assists you in (a) comparing your institution's administrative procedures with federal requirements, (b) identifying strengths and weaknesses of office operations, and (c) setting the stage to remedy areas of institutional vulnerability. In short, this process will help ensure that:

- Title IV Program requirements are met as part of the normal processing of aid applications, awards, and disbursements; and
- Staff have a consistent understanding of their responsibilities as referenced in the current office policy and procedures manuals.

Completion of the Management Assessment Worksheet (MA-3a or b and c) is a key activity in your institution's quality assurance program. If handled as a structured problem-solving activity, it can become a powerful means to serve the interest of the students, the institution, the financial aid staff, and the federal government.

In 1995-96, all of the QAP institutions are required to complete the *Comprehensive Title IV-Wide Management Assess-*

ment worksheet found on page(s) 21-44. In subsequent years, only first-year institutions will be required to complete the *Comprehensive Title IV-Wide Management Assessment* Worksheet. Continuing institutions can choose to complete either the *Comprehensive Title IV-Wide Management Assessment* Worksheet or the *Core Management Assessment* found on page(s) 45-50. The *Core Management Assessment* will assist your QA team in reviewing a minimal number of areas to ensure administrative capability, if, in addition, at least one of the *Focus Management Assessment Modules* beginning on page 52 is completed. These *Focus Management Assessment Modules* assist the QA team in reviewing specific functional areas in depth, and provide an additional mechanism for including other institutional offices involved in the administration of Title IV funds.

I. Comprehensive Title IV-Wide Management Assessment

The *Comprehensive Title IV-Wide Management Assessment* Worksheet beginning on page 21 consists of a set of questions designed to help users assess current operations in five major areas in student aid delivery. Each major area contains several functional requirements; and, along with the functional requirements, are listed below:

Area A. Institutional Participation

Functional Requirements:

- determining institutional and program eligibility,
- coordinating major financial aid responsibilities, and
- disclosing information on Title IV participation.

Area B. Fiscal Management

Functional Requirements:

- establishing accounting systems,
- coordinating program-specific funds, and
- ensuring adequate auditing practices.

Area C. Recipient Eligibility

Functional Requirements:

- evaluating student eligibility,
- collecting required documentation, verifying data, and
- determining cost of attendance.

Area D. Award Calculation and Disbursement

Functional Requirements:

- disbursing Pell Grants,
- packaging Campus-based awards,
- providing *Federal Family Education Loans* (FFEL), and
- awarding and disbursing Direct Student Loans (*Direct Loan Program* institutions only).

Area E. Reporting and Reconciliation

Functional Requirements:

- adjusting awards,
- providing Title IV refunds, and
- reporting and recordkeeping.

II. Core Management Assessment and Focus Management Assessment Modules

The *Core Management Assessment* Worksheet that begins on page 45 consists of a limited set of questions to help users assess current operations in major areas of student aid delivery. The *Focus Management Assessment Modules* consist of selected sets of questions in several functional focus areas. These major areas include the topics covered in the previous section titled "A. Comprehensive Title IV-Wide Management

Assessment": (1) Institutional Participation; (2) Fiscal Management; (3) Recipient Eligibility; (4) Award Calculation and Disbursement; and (5) Reporting and Reconciliation. Additional modules also have been added, focusing on Automated Processing and Good Administrative Practices and consisting of questions designed by QAP institutions. This last module allows you to appraise your operations outside of Title IV administration. As the QAP continues to expand in scope, additional modules may be developed.

In all of the assessment worksheets, where appropriate, regulatory or statutory references are provided following many of the questions, to assist you in fully determining requirements. (To further assist you, a supplemental checklist, the Student Consumer Information Checklist, that details regulatory or statutory requirements, is provided as Appendix A.)

By dividing the assessments into major areas, we hope to encourage you to use different teams, including cross-office teams, to complete this task. Financial aid administrators understand that the effective delivery of student aid involves other offices at their institutions, including the registrar's office, admissions, and the business offices.

Financial aid administration is an institutional responsibility. In fact, active participation by other administrative or student service offices in developing and sustaining a QA system is key to running not only a successful QA Program, but a program that is in full compliance with all of the Title IV requirements. Be sure to convey the value of the input received from other offices, and share information on how those offices can benefit from participating in the quality improvement process.

Widespread participation of staff members at all levels in the organization has proven to be a successful practice at institutions already participating in the QAP. Involving staff members and organizing them into various teams to address implementation and modifications, as needed, might take some effort at the outset (as would any transition to a different mode of operation). However, when staff members become problem solvers, they are able to strengthen the effectiveness of office operations within a dynamic financial aid environment. Opportunities for employee teamwork and training are important ways to link staff members' insights and skills to improvement efforts.

Instructions for Completing the Management Assessment Worksheet

After the first year, the institution first must decide which Management Assessment Worksheet to complete — either the Comprehensive Title IV-wide Management Assessment Worksheet or the Core Management Assessment, and one or two Focus Management Assessment Module Worksheets. To ensure continuous improvement, continuing QAP institutions are encouraged to revisit any areas found needing management enhancements in prior-year assessments.

In completing the Management Assessment Worksheet, the following steps should be taken:

1. Identify institutional staff members to serve on Management Assessment Worksheet team(s). Teams can be assigned at various stages of the assessment process and can be grouped to address specific program areas (such as packaging Campus-based awards) or functional areas (such as fiscal management);

2. Have team members review the Title IV provision or procedure that is specified in the first column, "Major Functional Requirements," and determine whether institutional procedures are in place and whether those procedures fully address the requirements; and

3. Make a judgment about the effectiveness of the institution's existing procedures and practices and identify areas that need improvement. Record the status of procedures in the columns under "Inventory of Existing Procedures," which are categorized as follows:

    - Not applicable at institution at this time (explain) — The requirement is not applicable to the institution at the time the Management Assessment is being conducted. **An explanation is required**;

    - No improvement action needed at this time — Procedures are in place, fully documented and implemented, and effectively meet federal requirements and good management practices. Procedures are found in the Policy and Procedures Manual; and

    - Improvement action needed — New procedures are needed to properly administer the Title IV programs, or a problem has been identified with existing procedures that makes the institution vulnerable.

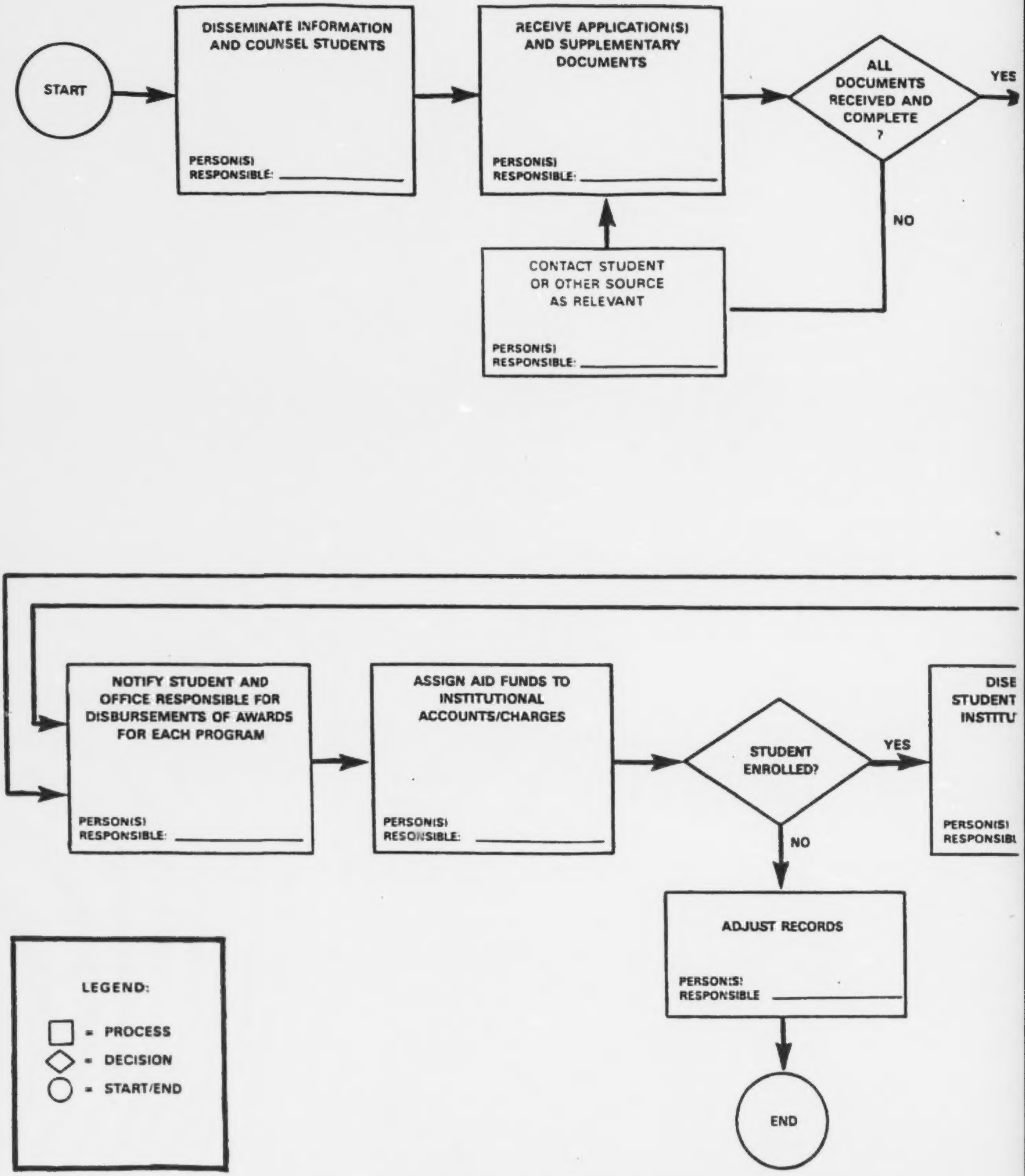
4. Determine the timeframe for the improvement actions you identified in the previous Step, as follows:

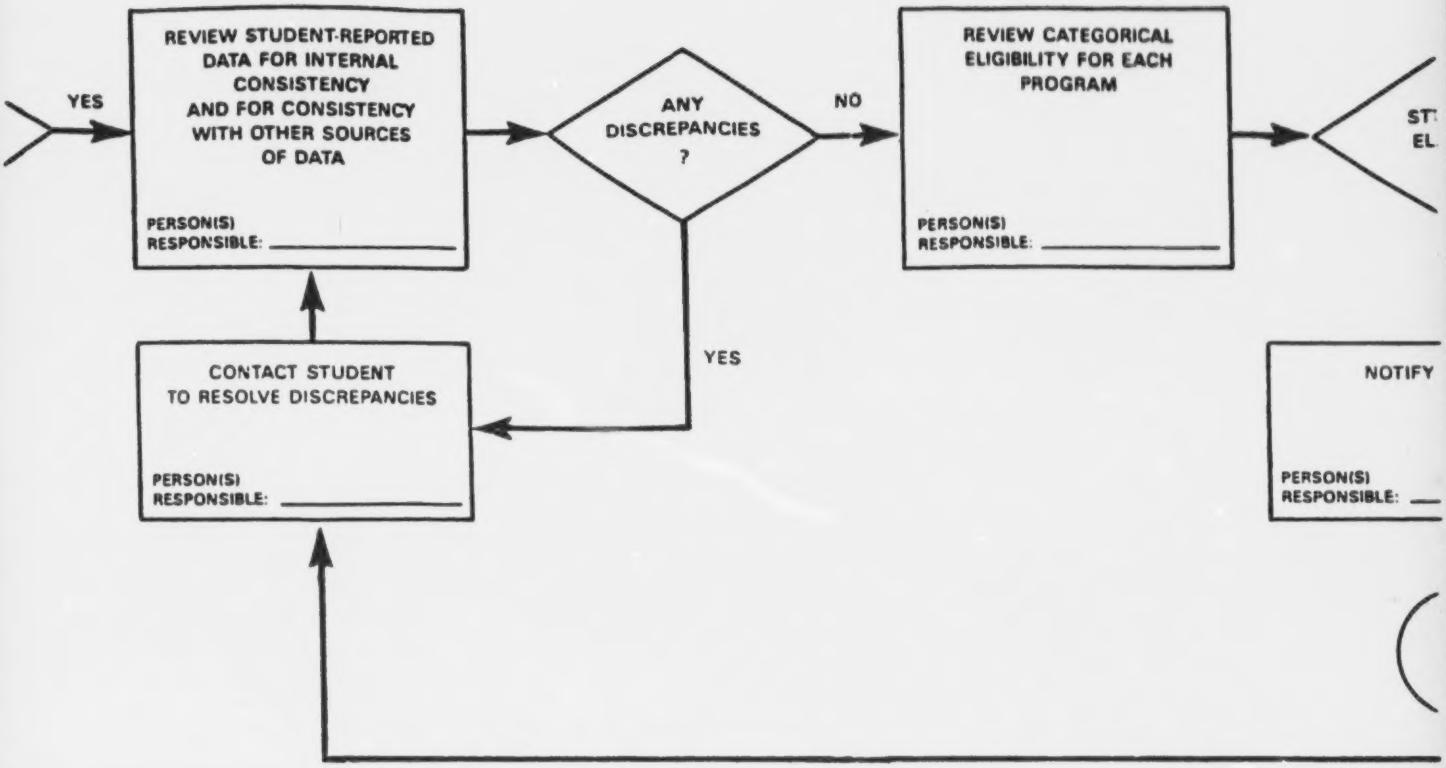
    - *Near-term improvement actions* can be implemented within one year; and

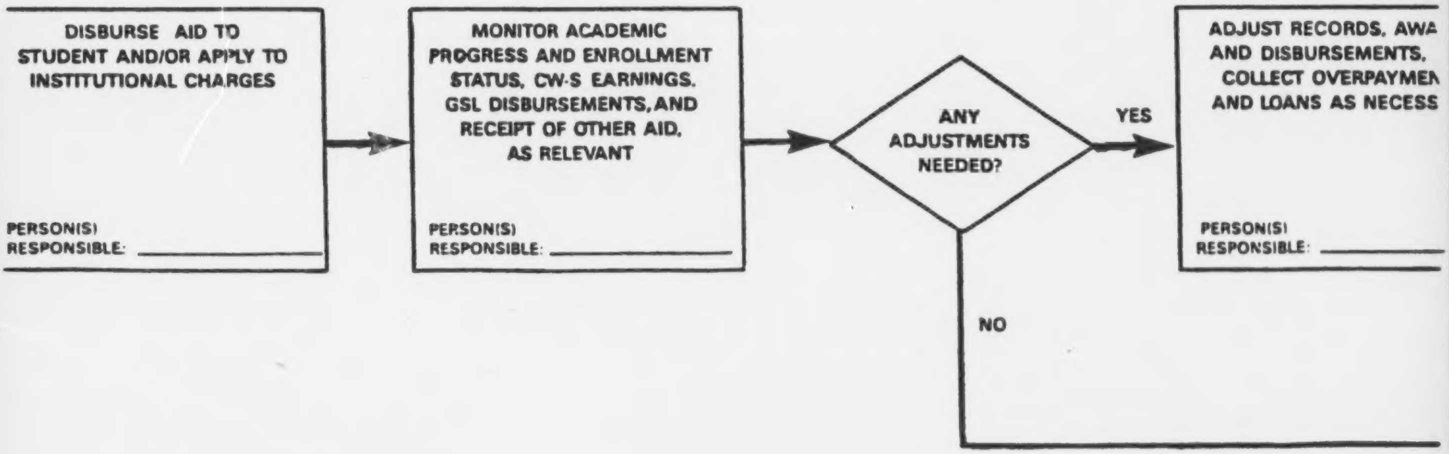
    - *Long-term improvement actions* require more than one year to implement.

Review the flowchart you made in Activity Two to ensure that all procedures currently in place are properly noted. If they are not in the flowchart, or are noted incorrectly, revise the flowchart. After completing the Management Assessment Worksheet, institutions will have identified the areas of financial aid administration that require improvements. Activities in the Management Assessment Task will assist you in identifying needed improvements and designing management enhancements to implement them.

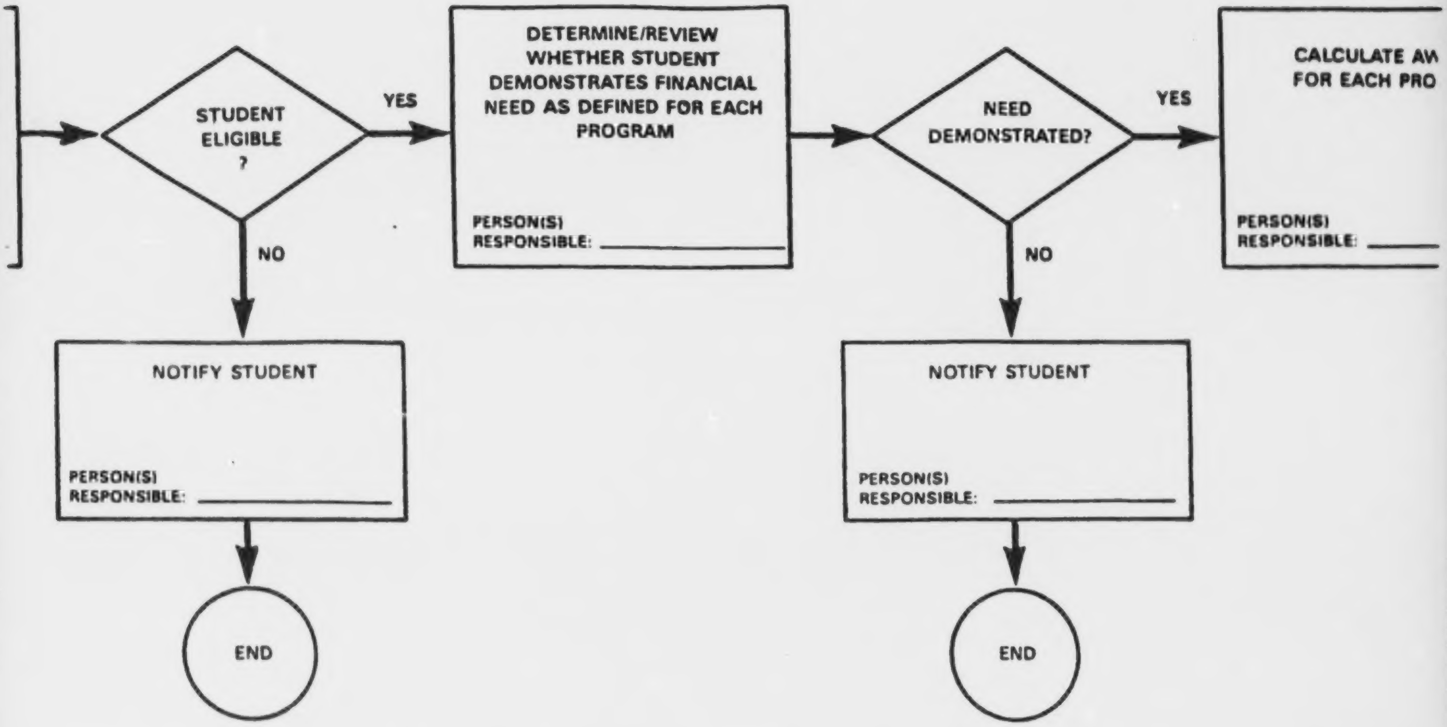
Complete the Management Assessment Task Assessment form on pages 19 and 20 in this chapter. Information from this assessment form will assist you in planning for the MA activities in subsequent years. A complete set of one-sided *QAP Workbook* worksheets is included as Appendix E, for use in making additional copies.

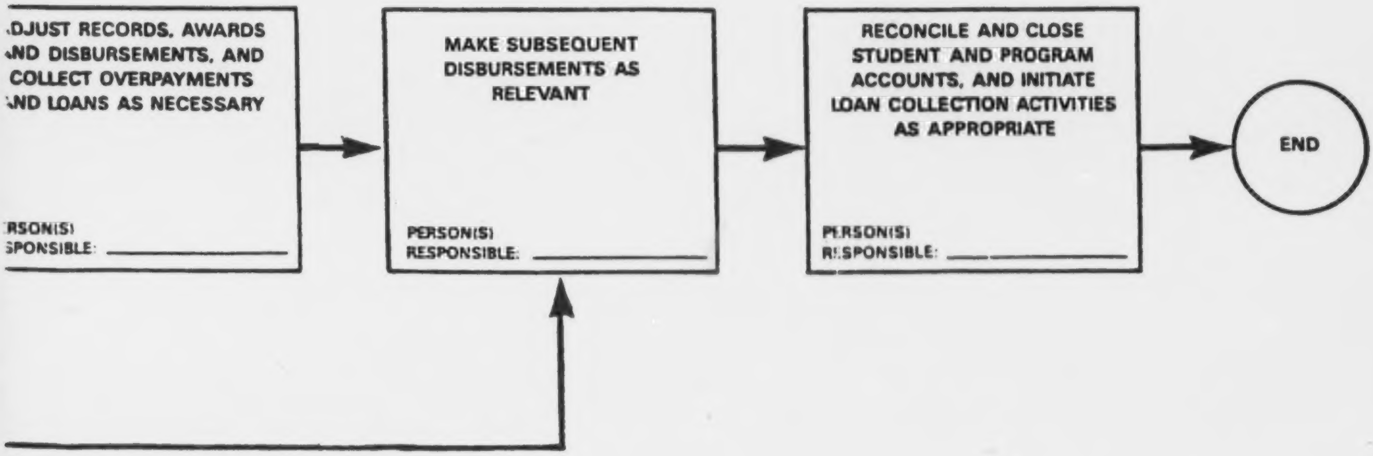

START
DISSEMINATE INFORMATION AND COUNSEL STUDENTS
PERSON(S) RESPONSIBLE: ______
RECEIVE APPLICATION(S) AND SUPPLEMENTARY DOCUMENTS
PERSON(S) RESPONSIBLE: ______
ALL DOCUMENTS RECEIVED AND COMPLETE ?
YES
NO
CONTACT STUDENT OR OTHER SOURCE AS RELEVANT
PERSON(S) RESPONSIBLE: ______
NOTIFY STUDENT AND OFFICE RESPONSIBLE FOR DISBURSEMENTS OF AWARDS FOR EACH PROGRAM
PERSON(S) RESPONSIBLE: ______
ASSIGN AID FUNDS TO INSTITUTIONAL ACCOUNTS/CHARGES
PERSON(S) RESPONSIBLE: ______
STUDENT ENROLLED?
YES
NO
DISE
STUDENT
INSTITU
PERSON(S)
RESPONSIBL
ADJUST RECORDS
PERSON(S) RESPONSIBLE ______
END
LEGEND:
= PROCESS
= DECISION
= START/END


YES
REVIEW STUDENT-REPORTED DATA FOR INTERNAL CONSISTENCY AND FOR CONSISTENCY WITH OTHER SOURCES OF DATA
PERSON(S) RESPONSIBLE:
ANY DISCREPANCIES ?
NO
YES
REVIEW CATEGORICAL ELIGIBILITY FOR EACH PROGRAM
PERSON(S) RESPONSIBLE:
ST
EL
CONTACT STUDENT TO RESOLVE DISCREPANCIES
PERSON(S) RESPONSIBLE:
NOTIFY
PERSON(S) RESPONSIBLE:

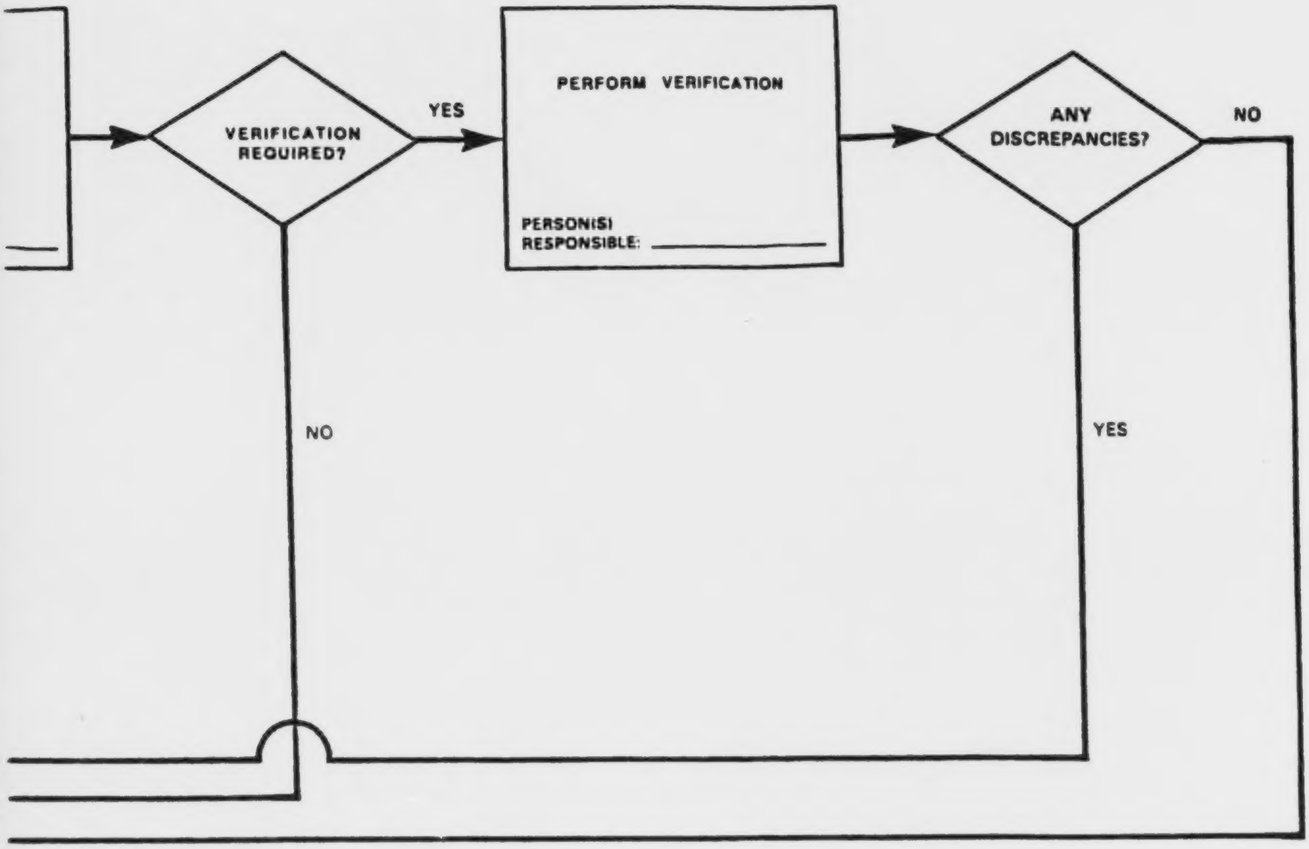

DISBURSE AID TO STUDENT AND/OR APPLY TO INSTITUTIONAL CHARGES
PERSON(S) RESPONSIBLE:
MONITOR ACADEMIC PROGRESS AND ENROLLMENT STATUS, CW-S EARNINGS, GSL DISBURSEMENTS, AND RECEIPT OF OTHER AID, AS RELEVANT
PERSON(S) RESPONSIBLE:
ANY ADJUSTMENTS NEEDED?
YES
NO
ADJUST RECORDS, AWA AND DISBURSEMENTS, COLLECT OVERPAYMEN AND LOANS AS NECESS
PERSON(S) RESPONSIBLE:

BEST COPY AVAILABLE


STUDENT ELIGIBLE ?
YES
NO
DETERMINE/REVIEW WHETHER STUDENT DEMONSTRATES FINANCIAL NEED AS DEFINED FOR EACH PROGRAM
PERSON(S) RESPONSIBLE:
NEED DEMONSTRATED?
YES
NO
CALCULATE AW
FOR EACH PRO
PERSON(S) RESPONSIBLE:
NOTIFY STUDENT
PERSON(S) RESPONSIBLE:
NOTIFY STUDENT
PERSON(S) RESPONSIBLE:
END
END


DJUST RECORDS, AWARDS
ND DISBURSEMENTS, AND
COLLECT OVERPAYMENTS
ND LOANS AS NECESSARY
RSON(S) SPONSIBLE:
MAKE SUBSEQUENT DISBURSEMENTS AS RELEVANT
PERSON(S) RESPONSIBLE:
RECONCILE AND CLOSE STUDENT AND PROGRAM ACCOUNTS, AND INITIATE LOAN COLLECTION ACTIVITIES AS APPROPRIATE
PERSON(S) RESPONSIBLE:
END

BEST COPY AVAILABLE


VERIFICATION REQUIRED?
YES
NO
PERFORM VERIFICATION
PERSON(S) RESPONSIBLE: ______
ANY DISCREPANCIES?
NO
YES

WORKSHEET MA-2: FLOWCHART OF AID DELIVERY

SAMPLE FLOWCHART OF AID DELIVERY

COMPLETED BY: ____________________
(NAME)

COMPLETED ON: ____________________
(DATE)

❖ TASK ASSESSMENT

ASSESSMENT OF MANAGEMENT ASSESSMENT TASK

1. Approximately how many hours were required for each of the following levels of staff to complete the Management Assessment (MA) Task and worksheets? If no hours were required of a certain level of staff, please enter zero.

Staff Level	Number of Hours
Professional — Paraprofessional (e.g., QA Coordinator or Counselor)	
Clerical — Data Entry (e.g., secretary or word processor)	
Student Workers	

2. What resources other than staff did you require to complete the MA Task and worksheets? You should include all equipment, materials, supplies, and so on, as well as a list of costs. Indicate whether this was a one-time or an annual cost.

ASSESSMENT OF MANAGEMENT ASSESSMENT TASK (CONTINUED)

Additional Resources	Dollar Value ($)	One-Time or Annual Cost

3. What benefits did your institution gain from completing this particular task and its worksheets?

COMPREHENSIVE TITLE IV-WIDE MANAGEMENT ASSESSMENT WORKSHEET

(WORKSHEET MA-3a)

COMPREHENSIVE TITLE IV-WIDE
MANAGEMENT ASSESSMENT WORKSHEET

AREA A. INSTITUTIONAL PARTICIPATION

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Determining Institutional and Program Eligibility 1a. Is your institution currently accredited by a nationally recognized accrediting agency that is approved by the Secretary?				
1b. Are all the programs for which federal aid is offered included in that accreditation?				
2a. Is your institution currently licensed to operate within a state in accordance with §600.4 - 600.7?				
2b. Are all of the programs for which federal aid is offered included in that approval?				
3. Has your institution ensured that it is operating in accordance with the provisions stipulated in the signed Program Participation Agreement? (HEA 1992 and §668.12)				
4. Can your institution ensure that it awards financial aid only to students enrolled in courses meeting the requirements of an eligible program?				
5. Does your institution confirm, on an annual basis, that the duration of your academic year meets the minimum requirements defined by the Secretary? (HEA 1992)				
6. If your institution does not offer a 2-year associate or 4-year bachelor degree program, have you determined that no more than 50 percent of your students were admitted under the Ability to Benefit (ATB) provisions? (HEA 1992 §484(d))				

* Near-term = Implement within one year
** Long-term = Implementation will require more than one year

COMPREHENSIVE TITLE IV-WIDE MANAGEMENT ASSESSMENT WORKSHEET

AREA A. INSTITUTIONAL PARTICIPATION (continued)

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Determining Institutional and Program Eligibility (continued) 7a. For all students in a given course of study, does your institution use the same academic year definition?				
7b. Does each such definition incorporate at least 30 weeks? (HEA 1992)				
8. If your institution offers educational programs at locations other than your main campus, does it have written confirmation from ED's Institutional Participation Division as evidence of approval for Title IV funding? (§600.21)				
9. If your institution offers courses by correspondence, has it determined that no more than 50 percent of its courses are offered by correspondence or that no more than 50 percent of its students are enrolled in correspondence courses?				
10. If your institution offers programs to incarcerated students, has it determined that no more than 25 percent of its enrolled students are incarcerated or has it received a waiver of this prohibition from the Secretary? (HEA 1992)				
Coordinating Major Financial Aid Responsibilities 11. Has the financial aid office or another entity within the institution been designated to coordinate all sources of assistance offered to students throughout your institution?				
12. Has your institution designated an adequate number of trained, capable personnel to administer the student financial aid programs? (§668.14)				

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COMPREHENSIVE TITLE IV-WIDE
MANAGEMENT ASSESSMENT WORKSHEET

AREA A. INSTITUTIONAL PARTICIPATION (continued)

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	**No improvement action needed at this time**	**Improvement action needed**	**Near-term (N)* or Long-term (L)****
Coordinating Major Financial Aid Responsibilities (continued) 13. Does your institution have a system to coordinate all information relating to students' eligibility to participate in the Title IV programs?				
14. Does your institution have valid consortium agreements that contain all required provisions for all applicable students? (§600.9)				
15a. Does your institution monitor the default rates under the Perkins and Part B Loan programs?				
15b. Does it initiate action if those rates approach 20 percent? (§668.17)				
16a. Does your institution have a plan for default management?				
16b. Is the plan being implemented in all respects?				
17a. Is there an office responsible for calculating and monitoring the institution's student withdrawal rate?				
17b. Is there an office initiating appropriate action if that rate approaches 33 percent? (§668.16)				
18a. Has the institution identified all campus offices involved in the delivery of student aid?				
18b. Has your institution assigned responsibility for implementing, prior to and during academic year 1994-95, a quality assurance system that will satisfy ED requirements? (§454(a)(5) HEA 1992)				

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COMPREHENSIVE TITLE IV-WIDE
MANAGEMENT ASSESSMENT WORKSHEET

AREA A. INSTITUTIONAL PARTICIPATION (continued)

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Disclosing Information on Title IV Participation (continued) 19. Does your institution publish all of the consumer information required by §668.43 and 668.44?				
20. Does your institution routinely make available the written consumer information and disclosures to all current and prospective students? (§668.41 and 668.42)				
21. Are the Satisfactory Academic Progress (SAP) standards and procedures by which a student who has failed to maintain progress and who may re-establish eligibility for Title IV assistance published and readily available to all students? (§668.16)				
22a. Does your institution have a standard of Satisfactory Academic Progress (SAP) that contains all of the elements required under §668.16?				
22b. Can the SAP standard be easily applied?				
22c. Is the standard clear enough to be understood by your staff and students?				

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COMPREHENSIVE TITLE IV-WIDE MANAGEMENT ASSESSMENT WORKSHEET

AREA B. FISCAL MANAGEMENT

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Establishing Accounting Systems 1. Does your institution have a system to ensure that federal funds are used only for program purposes?				
2a. Has your institution reviewed its debtor position to determine if it meets all of the standards for financial capability (§668.15)?				
2b. Is your institution in compliance with §453(c)(2)(G) HEA 1992?				
3. Are separate offices and individuals responsible for awarding aid and disbursing funds?				
4. Does your institution have standard procedures to ensure that it accounts accurately for the receipt and disbursement of all aid funds?				
5. Does your institution ensure that it only draws down funds to be disbursed within the time frame prescribed by the system you are using?				
6. Does your system allow you to identify by program the amount of federal cash at your institution at any given time?				
7. Can your institution ensure that it does not charge fees of any kind to promote, originate, or administer federal aid programs? (§454(a)(6) HEA 1992)				
Coordinating Program-Specific Funds 8a. Does your institution monitor authorization amounts?				
8b. Does your institution ensure that cash draws and expenditures are within those authorizations?				

* Near-term = Implement within one year
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COMPREHENSIVE TITLE IV-WIDE MANAGEMENT ASSESSMENT WORKSHEET

AREA B. FISCAL MANAGEMENT (continued)

Major Functional Requirements	**Inventory of Existing Procedures**			**Timeframe**
	Not applicable at institution at this time (explain)	**No improvement action needed at this time**	**Improvement action needed**	**Near-term (N)* or Long-term (L)****
Coordinating Program-Specific Funds (continued) 9. Are federal funds deposited into accounts that are properly established and identified for this purpose?				
10. Does your institution properly calculate its Administrative Cost Allowance under the Campus-based programs?				
11a. Does your institution have a system to ensure that it is contributing the correct institutional match of program funds toward Campus-based disbursements?				
11b. Is the institutional share being provided within the appropriate time frames?				
12a. Are all fund transfers within the Campus-based programs within the allowable award year?				
12b. Are all fund transfers within the Campus-based programs within the program limits?				
Ensuring Adequate Auditing Practices 13a. Does your institution have a procedure to ensure that your Title IV programs are audited annually by an independent agent?				
13b. Does your institution have a procedure to ensure that the audit report is submitted to ED within the appropriate time frame?				
14. Does your institution maintain an accessible audit trail for each transaction, allowing you to trace easily financial data that identify individual student disbursements and total aid awarded?				

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COMPREHENSIVE TITLE IV-WIDE
MANAGEMENT ASSESSMENT WORKSHEET

AREA B. FISCAL MANAGEMENT (continued)

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Ensuring Adequate Auditing Practices (continued) 15. Does your institution's system reconcile all activity that occurs during a 30-day period, before the following 30-day period?				
16a. Does your system easily identify excess cash (including interest earned on federal funds)?				
16b. Does your system routinely and promptly return funds to program accounts or to the appropriate federal department?				

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COMPREHENSIVE TITLE IV-WIDE
MANAGEMENT ASSESSMENT WORKSHEET

AREA C. RECIPIENT ELIGIBILITY

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Evaluating Student Eligibility 1. Does your institution have a system to verify that financial aid recipients meet all eligibility requirements in accordance with §668.7 of the Student Assistance General Provisions?				
2. Does your institution have a system to ensure that all financial aid recipients possess a high school diploma or equivalent or demonstrate the Ability to Benefit (ATB) from the training provided? (§668.7 and HEA 1992)				
3. Does your institution have a system to ensure aid is provided only to regular students (enrolled for the purpose of receiving a degree or certificate) unless exempted by the Higher Education Technical Amendments (HETA) or HEA 1992? (§668.7)				
4a. Does your institution have a policy for granting "leaves of absence"?				
4b. If so, is there a procedure for determining if a student returns from leave? (§682.605)				
5a. Does your institution have a system to ensure that Title IV aid is provided only to students in an eligible citizenship category?				
5b. Does your institution identify eligible non-citizens for whom documentation is required? (§668.7)				
Collecting Required Documentation and Verifying Data 6. Does your institution collect and maintain the data relevant to each student's application for federal aid (e.g., SAR, ESAR, ISIR, tax returns.)?				

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COMPREHENSIVE TITLE IV-WIDE MANAGEMENT ASSESSMENT WORKSHEET

AREA C. RECIPIENT ELIGIBILITY (continued)

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Collecting Required Documentation and Verifying Data (continued) 7. Does your institution have a system for collecting all required student certifications and statements?				
8a. Does your institution have a system to identify the need for all required financial aid transcripts (FATs) for students who attended a prior postsecondary institution? (§668.19)				
8b. Does your institution track the collection of all FATs?				
9. Does your institution have a system for identifying and resolving conflicting applicant information in accordance with §668.14?				
10. Is your institution in compliance with all applicable verification regulations found in §668.53-668.60?				
Determining Cost of Attendance 11. Has your institution determined proper budgets or cost of attendance (COA) to use in determining students' need for federal aid programs? (HEA of 1992)				
12. Are costs of attendance properly calculated (i.e., prorated based on academic year length when necessary, and, if appropriate, adjusted for students studying abroad, incarcerated, or enrolled in correspondence courses)?				
13. Does your institution have a policy that ensures COAs are determined based on costs associated with credit — clock hours and costs associated with weeks of instructional time, and are prorated based on full-time, full-year costs?				

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** Long-term = Implementation will require more than one year

COMPREHENSIVE TITLE IV-WIDE
MANAGEMENT ASSESSMENT WORKSHEET

AREA D. AWARD CALCULATION AND DISBURSEMENT

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	**No improvement action needed at this time**	**Improvement action needed**	**Near-term (N)* or Long-term (L)****
Disbursing Pell Grants				
1. Does your institution have a procedure to ensure that Federal Pell Grant disbursement amounts are calculated based on incorporating the 30-week minimum academic year and standards for weeks of instructional time and credit — clock hours earned? (HEA 1992)				
2. Does your institution use a nine-month expected family contribution (EFC) to determine a student's Federal Pell Grant?				
3. Does your institution have a system to ensure receipt of a valid SAR, ESAR, or official EFC on roster or tape (ISIR), while a student is still enrolled and eligible?				
4. Does your institution ensure that all Electronic SARs are signed by all required persons and that alternate eligibility output documents are signed by the student, to attest that the information reported has been reviewed and is accurate?				
5. Does your institution schedule Federal Pell Grant disbursements often enough so that no one disbursement exceeds half of the annual award (e.g., in the case of a non-standard term that exceeds half of the academic year, at least two disbursements are scheduled during the term)?				
6. Does your institution have a system to ensure that Federal Pell Grant payments are properly reported to ED?				
7a. Does your institution have a system for monitoring student completion of the portion of a term for which she or he was initially paid?				
7b. Does your institution ensure that subsequent disbursements within the term are not made until the portion previously paid for has, in fact, been completed?				

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COMPREHENSIVE TITLE IV-WIDE MANAGEMENT ASSESSMENT WORKSHEET

AREA D. AWARD CALCULATION AND DISBURSEMENT (continued)

Major Functional Requirements	**Inventory of Existing Procedures**			**Timeframe**
	Not applicable at institution at this time (explain)	**No improvement action needed at this time**	**Improvement action needed**	**Near-term (N)* or Long-term (L)****
Disbursing Pell Grants (continued) 8 For non-term programs, does your institution have a system to ensure that midpoint disbursements are not made until the student has completed both the minimum weeks and clock/credit hours required in the payment period?				
9. Does your institution ensure that awards to incarcerated students, if eligible for Federal Pell Grants, are within appropriate maximums?				
Packaging Campus-based Awards 10. Does your institution make Campus-based aid reasonably available to all students (including students attending non-main campus locations) represented in your FISAP Eligible Aid Applicant Grid (Part II, Section E)?				
11. Are FSEOG funds first awarded to Federal Pell Grant eligible students with exceptional need (lowest EFC)?				
12. Are Federal Perkins Loan funds first awarded to students demonstrating exceptional need (lowest EFC)?				
13. For Federal Perkins Loan program recipients, does your institution have procedures to determine borrower eligibility for forbearance, deferment, and cancellation provisions?				
14. Does your institution have procedures to ensure that due diligence is performed in accordance with requirements of Subpart C, §674.41 - 674.50 of the Federal Perkins Loan program regulations?				
15. Does your institution have an adequate document control system to track and safeguard signed loan notes?				

* Near-term = Implement within one year

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COMPREHENSIVE TITLE IV-WIDE
MANAGEMENT ASSESSMENT WORKSHEET

AREA D. AWARD CALCULATION AND DISBURSEMENT (continued)

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Packaging Campus-based Awards (continued) 16a. Does your institution have a system to monitor Federal Work-Study (FWS) earnings?				
16b. Does your institution have a system to adjust subsequent awards or disbursements as necessary?				
17. Does your institution pay FWS earnings at least monthly?				
18. Does your institution have procedures to ensure that at least 5 percent of your FWS funds are paid to students in service to the community?				
Providing Federal Family Education Loans (FFEL) 19. Does your system ensure that information provided and certified on student loan applications is accurate and complete?				
20. Does your institution determine a student's eligibility for a Federal Pell Grant prior to certifying him or her for an FFEL loan?				
21. Prior to certifying an unsubsidized Federal Stafford loan for a student, do you determine eligibility for a subsidized loan?				
22. Does your institution have standard procedures to notify a student in writing, should you decline to certify a loan?				
23. Does your institution have a system to ensure that the first payment of a Federal Stafford loan or an Unsubsidized Federal Stafford loan made to a first-year, first-time undergraduate student is not released until the borrower has completed the first 30 days of his/her program of study?				

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COMPREHENSIVE TITLE IV-WIDE
MANAGEMENT ASSESSMENT WORKSHEET

AREA D. AWARD CALCULATION AND DISBURSEMENT (continued)

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Providing Federal Family Education Loans (FFEL) (continued) 24. Does your institution have a procedure for ensuring that students are provided with all of the information stipulated in the entrance and exit interview requirements of the federal loan programs? (§682.604)				
25. During exit counseling, does your institution have a procedure to ensure that you obtain required or updated information from the borrower in accordance with requirements stipulated in the HEA of 1992?				
26. Does your institution have a procedure established so that students may obtain loans under any state-sponsored or private loan program to offset the EFC? (§454(a)(1)(b) HEA)				
Awarding and Disbursing Direct Loan (FDSL) Institutions Only 27. Has your institution defined financial aid awarding procedures for use during the current academic year for student and parent borrowers? (§454(a)(4) HEA 1992)				
28. Has your institution established disbursement procedures for Direct Loans as required by §455(j) of the 1992 HEA as amended?				
29. Does your institution have a system to ensure that a properly executed promissory note is obtained from a Direct Loan borrower prior to releasing any loan proceeds to the student?				
30. Has your institution identified the appropriate level and type of automation to best meet its needs in administering the Direct Loan program?				
31. If you do not originate loans under the Direct Loan program, have you assigned responsibility and defined procedures for forwarding to ED all student eligibility data needed for alternative loan origination? (§454(a)(1)(E) HEA 1992)				

* Near-term = Implement within one year

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COMPREHENSIVE TITLE IV-WIDE
MANAGEMENT ASSESSMENT WORKSHEET

AREA E. REPORTING AND RECONCILIATION

Major Functional Requirements	**Inventory of Existing Procedures**			**Timeframe**
	Not applicable at institution at this time (explain)	**No improvement action needed at this time**	**Improvement action needed**	**Near-term (N)* or Long-term (L)****
Adjusting Awards 1 Does your institution have standard procedures for adjusting disbursements as necessary as a result of verifying data, resolving conflicts, changes in student status, or receipt of additional aid?				
2a When a student's projected enrollment status changes, does your institution have a policy to determine whether the Federal Pell Grant award must be recalculated taking into consideration changes in COA?				
2b Is this policy consistently applied to all students?				
3a Does your institution have standard procedures for reporting changes in awards to the student?				
3b Does your institution have standard procedures for reporting changes in awards to the central processor?				
3c Does your institution have standard procedures for reporting changes in awards to other institutional offices, as appropriate?				
4a Does your institution maintain documentation of adjustments made to data elements used to calculate the cost of attendance (COA)?				
4b Does your institution maintain documentation of adjustments made to data elements used to calculate the expected family contribution (EFC)?				
5a Does your institution properly document, on a case-by-case basis, changes in students' dependency status?				
5b Does your institution properly document, on a case-by-case basis, other changes involving professional judgment?				

* Near-term = Implement within one year
** Long-term = Implementation will require more than one year

COMPREHENSIVE TITLE IV-WIDE
MANAGEMENT ASSESSMENT WORKSHEET

AREA E. REPORTING AND RECONCILIATION (continued)

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Adjusting Awards (continued)				
6 Does your institution use a certified need analysis system to recalculate the family contribution (EFC) based on corrections or changes in data?				
Providing Title IV Refunds				
7 For the purpose of refunding Title IV funds, does your institution have a procedure in place to identify students who register but never attend classes, so that financial aid that has been disbursed or credited to the students' accounts can be returned?				
8 For the purpose of determining when a refund must be paid, does your institution have a system for determining a student's last day of attendance? (§682.605)				
9 Is your institution's refund formula fair and equitable, allowing for the most beneficial treatment for students in accordance with §484(b) of the HEA?				
10 Do your institution's internal controls ensure that refund calculations are performed in a timely manner and are mathematically correct?				
11 Does your institution have a system to ensure that refunds are made within required time frames and credited to the appropriate Title IV accounts, in accordance with the refund distribution order as specified in §485 of the HEA of 1992?				
12 Does your institution have procedures to ensure that the *pro-rata* refund formula is used for all first-time students who withdraw prior to the 60 percent point in the term?				
13 Does your institution have a system for ensuring that credit balances are promptly delivered to students, unless a student has voluntarily provided written authorization to the institution to retain those funds for future charges?				

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COMPREHENSIVE TITLE IV-WIDE
MANAGEMENT ASSESSMENT WORKSHEET

AREA E. REPORTING AND RECONCILIATION (continued)

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Providing Title IV Refunds (continued) 14. Does your institution ensure, when determining the amount it is entitled to retain, that it excludes the unpaid balance owed by the student on the account, in accordance with §668.22?				
Reporting and Recordkeeping 15a. Does your institution reconcile Title IV disbursement records (e.g., general ledger — journal of expenditures) to other data sources (e.g., authorization levels, ED PMS 272 Reports, FISAP, Student Payment Summary Reports)?				
15b. Does your institution maintain verifiable, auditable data in support of these records?				
16. Does your institution's system facilitate the timely filing of all required program reports (e.g., ED PMS 272, Pell Grant IPS, and Campus-based FISAP) and required audits and financial statements?				
17. Does your institution have a procedure to ensure that the FISAP is prepared properly and electronically submitted to ED by the stated deadline each year?				
18. Does your institution verify that accurate information on student status is reported for all borrowers to ED or the appropriate guaranty agency? (§682.610 and §454(a)(1)(E) HEA 1992)				
19. Are there standard procedures for identifying and correcting any problems in your automated systems?				
20. Are user manuals for automated systems developed and updated?				

* Near-term = Implement within one year

** Long-term = Implementation will require more than one year

COMPREHENSIVE TITLE IV-WIDE MANAGEMENT ASSESSMENT WORKSHEET

AREA E. REPORTING AND RECONCILIATION (continued)

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Reporting and Recordkeeping (continued)				
21. Are all user manuals for automated systems subjected to review by potential users, to ensure that they are understandable, are easy-to-use, and address any potential problems?				
22. Does the institution's computer system identify authorized users and restrict their access to the system (i.e., by using passwords and limiting access to specific files and programs)?				

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COMPREHENSIVE TITLE IV-WIDE MANAGEMENT ASSESSMENT WORKSHEET

AREA F. AUTOMATED PROCESSING[1]

(The term "ADP," "automated system," and "system" are used interchangeably throughout this module)

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
1 How well does the ADP system meet the needs of the users in the financial aid office?				
2 Does your ADP system have standard procedures for dealing with exceptional or problem cases?				
3 Do backlogs regularly occur when processing reports or other data needs?				
4 Does the institution have a long-range plan for increasing/improving use of automation?				
5 Is a standard systems development life cycle followed in designing computer applications to ensure that all requirements are fully met?				
6 Do you update documentation of all application software/programming?				
7a Do you test changes in software and programming?				
7b Do you follow standard procedures for thorough testing?				
8 Are adequate controls maintained over inputs to your system, including:				
8a Tracking the entry of all source documents (i.e., by using pre-numbering, a log or register, or batch counts)?				
8b Ensuring that the data entered into the system are identical to the data on the source document (i.e., by performing key entry verification)?				

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[1] These procedures are relevant primarily to mainframes or minicomputers. However, you should follow similar types of procedures to control the use of personal or microcomputers and programmable calculators. Please assess whether these controls are needed for each automated system or type of automation you use, completing a separate copy of this section for each system. If you use a centralized data processing center, involve data processing personnel in completing this worksheet.

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COMPREHENSIVE TITLE IV-WIDE MANAGEMENT ASSESSMENT WORKSHEET

AREA F. AUTOMATED PROCESSING (continued)

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
8c. Ensuring the completeness and accuracy of the data reported on the source document (i.e., by using edits, validity tests, and reasonability tests)?				
8d. Ensuring that the use of any special transactions (i.e., those which bypass normal checks) is restricted and supervised?				
8e. Storing all source documents or microfiche copies?				
10. Are adequate controls maintained over rejected/erroneous transactions, including:				
10a. Using suspense records to track re-entry or cancellation of all previously rejected transactions?				
10b. Ensuring that all rejected transactions are corrected or canceled (i.e., by tracking and approving responses to error listings)?				
10c. Applying edits, validation, and reasonability tests to all re-entered transactions that are identical to those for initial entry?				
11. Are adequate controls maintained over outputs, including recording and checking control totals, record counts, and so on?				
12. Does your institution have adequate contingency plans, including:				
12a. Procedures for back-up processing and recovery in the event of processing interruptions or temporary shut-downs?				
12b. Procedures for developing back-up copies of all data files in case of catastrophe, and for storing them off-site?				
13. Has your institution taken steps to ensure adequate physical protection against fire, water damage, theft, and sabotage?				

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COMPREHENSIVE TITLE IV-WIDE
MANAGEMENT ASSESSMENT WORKSHEET

AREA G. ADMINISTRATIVE PRACTICES

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Institutional Policies and Procedures 1. Is your institution in compliance with applicable civil rights statutes and regulations?				
2. Is your institution in compliance with applicable NCAA requirements?				
3a. Are financial aid office (and other related offices) staff sensitive to the racial diversities of the student population?				
3b. Are financial aid office (and other related offices) staff sensitive to the ethnic diversities of the student population?				
3c. Are financial aid office (and other related offices) staff sensitive to the cultural diversities of the student population?				
3d. Are financial aid office (and other related offices) staff sensitive to the physically-challenged diversities of the student population?				
3e. Are financial aid office (and other related offices) staff sensitive to the socio-economic diversities of the student population?				
4a. Are deadlines for financial aid consideration and awarding well-publicized?				
4b. Are all application procedures and instructions communicated to students with sufficient time to permit completion of all necessary tasks?				
5. Are staff familiar with students' rights and responsibilities under the Buckley Amendment (FERPA)?				
6a. Does the Director of Financial Aid or designated institutional staff evaluate NPRMs related to student assistance programs?				
6b. Does the FAO/designee respond to these NPRMs as they are published?				

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COMPREHENSIVE TITLE IV-WIDE
MANAGEMENT ASSESSMENT WORKSHEET

AREA G. ADMINISTRATIVE PRACTICES (continued)

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Personnel and Training				
7a. Does the Financial Aid Office develop written polices and procedures for all aid-related activities?				
7b. Do they update the written policies and procedures?				
8. Are all relevant personnel periodically required to review current institutional policies and procedures related to their responsibilities, as well as the relevant requirements of federal, state, and other agencies?				
9. Is training provided to all new personnel related to general office policies and procedures?				
10a. Are professional staff encouraged to attend training sessions provided by ED?				
10b. Are professional staff encouraged to attend training sessions provided by state guaranty agencies?				
10c. Are professional staff encouraged to attend training sessions provided by professional associations?				
11. Is in-service training provided to all personnel?				
12a. Are written job descriptions (including factors that will be used to evaluate performance developed for all personnel)?				
12b. Are the job descriptions updated periodically?				
13. Has the institution implemented a formal process for periodically evaluating the performance of all personnel?				
14. Are there standard procedures to ensure that staff are available as needed?				

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COMPREHENSIVE TITLE IV-WIDE
MANAGEMENT ASSESSMENT WORKSHEET

AREA G. ADMINISTRATIVE PRACTICES (continued)

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Personnel and Training (continued)				
15. Do financial aid staff (and other offices as relevant) meet to jointly develop a master schedule for student aid delivery, including all relevant deadlines, forecasted workloads, and person(s) responsible for each task?				
16. Is there a working relationship between financial aid office staff and the staff of other offices with related functions (e.g., do you meet or communicate regularly with representatives from the business office, registrar, and others)?				
Retaining Records and Reporting				
17a. Have routine procedures been established for: Filing and storing documents?				
17b. Retrieving documents?				
17c. Copying or microfiching or imaging documents?				
17d. Purging and cleaning out or archiving files?				
18a. Does the institution follow federal requirements for archiving records?				
18b. Does it follow state requirements for archiving records?				
18c. Does it follow institutional policies for archiving records?				
19. If another office is responsible for archiving and storing financial aid records, are those records readily accessible if needed?				
20a. Are all documents routinely used by a number of people maintained in a common filing system?				

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COMPREHENSIVE TITLE IV-WIDE
MANAGEMENT ASSESSMENT WORKSHEET

AREA G. ADMINISTRATIVE PRACTICES (continued)

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	**No improvement action needed at this time**	**Improvement action needed**	**Near-term (N)* or Long-term (L)****
Retaining Records and Reporting (continued) 20b. Is it centrally located and controlled?				
21. Are copies maintained of all reports submitted to and received from the federal Government, as well as the records and calculations upon which each submission is based?				
Space and Facilities 22. Is the financial aid office conveniently located and accessible to physically challenged students?				
23. Does the total office space and set-up enhance the function so the office (e.g., privacy for counseling).				
Administration and Management 24. Is there a system to spot-check files to ensure staff work is consistent and in compliance with all statues, regulations, and institutional policies?				
25. Does the office maintain an adequate number of forms and other supplies to avoid delays?				
26a. Are all staff required to provide reports of accomplishments during a given period?				
26b. Are all staff required to provide objectives for the upcoming period (e.g., month, quarter)?				
26c. Is this information shared with other staff?				

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CORE MANAGEMENT ASSESSMENT WORKSHEET

(WORKSHEET MA-3b)

CORE MANAGEMENT
ASSESSMENT WORKSHEET

AREA A. INSTITUTIONAL PARTICIPATION

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Determining Institutional and Program Eligibility 1. Has your institution ensured that it is operating in accordance with the provisions stipulated in the signed Program Participation Agreement? (HEA 1992 and §668.12)				
2. Can your institution ensure that it awards financial aid only to students enrolled in courses meeting the requirements of an eligible program?				
3. Has the financial aid office or another entity within the institution been designated to coordinate all sources of assistance offered to students throughout your institution?				
Coordinating Major Financial Aid Responsibilities 4. Has your institution designated an adequate number of trained, capable personnel to administer the student aid financial programs? (§668.14)				
Disclosing Information on Title IV Participation 5. Does your institution routinely make available the written consumer information and disclosures to all current and prospective students? (§668.41 and 668.42)				
6a. Does your institution have a Standard of Satisfactory Academic Progress that contains all of the elements required under §668.14?				
6b. Can the SAP standard easily be applied?				
6c. Is the standard clear enough to be understood by your staff and students?				

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CORE MANAGEMENT
ASSESSMENT WORKSHEET

AREA B. FISCAL MANAGEMENT

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Establishing Accounting Systems				
1 Does your institution have standard procedures to ensure that it accounts accurately for the receipt and disbursement of all aid funds?				
2. Does your institution ensure that it only draws down funds to be disbursed within the time frame prescribed by the system you are using?				
Coordinating Program-Specific Funds				
3a. Does your institution monitor authorization amounts?				
3b. Does your institution ensure that cash draws and expenditures are within those authorizations?				
Ensuring Adequate Auditing Practices				
4a. Does your institution have a procedure to ensure that your Title IV programs are audited annually by an independent agent?				
4b. Does your institution have a procedure to ensure that the audit report is submitted to ED within the appropriate time frame?				
5. Does your institution maintain an accessible audit trail for each transaction, allowing you to easily trace financial data that identifies individual student disbursement and total aid awarded?				

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CORE MANAGEMENT
ASSESSMENT WORKSHEET

AREA C. RECIPIENT ELIGIBILITY

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Evaluating Student Eligibility 1. Does your institution have a system to verify that financial aid recipients meet all eligibility requirements in accordance with §668.7 of the Student Assistance General Provisions?				
Collecting Required Documentation and Verifying Data 2. Does your institution collect and maintain the data relevant to each student's application for federal aid (e.g., SAR, ISAR/ESAR, tax returns)?				
3. Is your institution in compliance with all applicable verification regulations found in §668.53 - 668.60?				
Determining Cost of Attendance 4. Has your institution determined proper budgets or cost of attendance (COA) to utilize in determining students' need for federal aid programs? (HEA of 1992)				

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CORE MANAGEMENT
ASSESSMENT WORKSHEET

AREA D. AWARD CALCULATION AND DISBURSEMENT

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Additional Questions for Direct Loan Institutions Only 1a. Has the institution defined financial aid awarding procedures for use during the current academic year for student borrowers?				
1b. Has it defined financial aid awarding procedures for use during the current academic year for parent borrowers? (§454(a)(4)HEA)				
2. Has your institution established disbursement procedures for Direct Loans as required by §455(j) of the HEA as amended?				
3. Does your instition have a system to ensure that a properly executed promissory note is obtained from a Direct Loan borrower prior to releasing any loan proceeds to the student?				
4. Has the institution identified the appropriate level and type of automation to best meet its needs in administering the Direct Loan Program?				
5. If your institution does not originate loans under the Direct Loan Program, have you assigned responsibility and defined procedures for forwarding to ED all student eligibility data needed for alternative loan origination? (§454(a)(1)(E)HEA)				

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CORE MANAGEMENT
ASSESSMENT WORKSHEET

AREA E. REPORTING AND RECONCILIATION

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Adjusting Awards 1. Does your institution have standard procedures for adjusting disbursements as necessary as a result of verifying data, resolving conflicts, changes in student status, or receipt of additional aid?				
2. Does your institution use a certified need analysis system to recalculate the family contribution (EFC) based on corrections or changes in data?				
3a. Does your institution properly document, on a case-by-case basis, changes in student's dependency status?				
3b. Does your institution properly document, on a case-by-case basis, other changes made using professional judgment?				
Providing Title IV Refunds 4. Is your institution's refund formula fair and equitable, allowing for the most beneficial treatment for students in accordance with §484(b) of the HEA?				
5. Does your institution have a system to ensure that refunds are made within required time frames and credited to the appropriate Title IV accounts in accordance with the refund distribution order as specified in §485 of the HEA of 1992?				
Reporting and Recordkeeping 6a. Does your institution reconcile Title IV disbursement records (i.e., general ledger — journal of expenditures) to other data sources (e.g., authorization levels, ED/PMS 272 reports, FISAP, and Student Payment Summary Reports)?				

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CORE MANAGEMENT
ASSESSMENT WORKSHEET

AREA E. REPORTING AND RECONCILIATION (continued)

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Reporting and Recordkeeping (continued) 6b. Does your institution maintain verifiable, auditable data in support of these records?				
7. Does your institution verify that accurate information on student status is reported for all borrowers to ED or the appropriate guaranty agency? (§682.610) and 454(a)(1)(E) HEA 1992)				
8. Are there standard procedures for identifying and correcting any problems in your automated systems?				
9. Are user manuals for automated systems developed and updated?				
10. Are all user manuals for automated systems subjected to review by potential users, to ensure that they are understandable, are easy-to-use, and address any potential problems?				
11. Does the institution's computer system identify authorized users and restrict their access to the system (i.e., by using passwords and limiting access to specific files and programs).				

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FOCUS MANAGEMENT ASSESSMENT MODULES WORKSHEET
(WORKSHEET MA-3c)

FOCUS MANAGEMENT ASSESSMENT
MODULE 1 WORKSHEET

AREA A. INSTITUTIONAL PARTICIPATION

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Determining Institutional and Program Eligibility 1a. Is your institution currently accredited by a nationally recognized accrediting agency that is approved by the Secretary?				
1b. Are all the programs for which federal aid is offered included in that accreditation?				
2a. Is your institution currently licensed to operate within a state in accordance with §600.4 - 600.7?				
2b. Are all of the programs for which federal aid is offered included in that approval?				
3. Does your institution confirm, on an annual basis, that the duration of your academic year meets the minimum requirements as defined by the Secretary? (HEA 1992)				
4. If your institution does not offer a 2-year associate or 4-year bachelor degree program, have you determined that no more than 50 percent of your students were admitted under the Ability to Benefit (ATB) provisions? (HEA 1992 §484(d)				
5a. For all students in a given course of study, does your institution use the same academic year definition?				
5b. Does each such definition incorporate at least 30 weeks? (HEA 1992)				
6. If your institution offers educational programs at locations other than your main campus, does it have written confirmation from the Department's Institutional Participation Division as evidence of approval for Title IV funding? (§600.21)				

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FOCUS MANAGEMENT ASSESSMENT
MODULE 1 WORKSHEET
(continued)

AREA A. INSTITUTIONAL PARTICIPATION

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Determining Institutional and Program Eligibility (continued) 7. If your institution offers courses by correspondence, has it determined that no more than 50 percent of its courses are offered by correspondence or that no more than 50 percent of its students are enrolled in correspondence courses?				
8. If your institution offers programs to incarcerated students, has it determined that no more than 25 percent of its enrolled students are incarcerated, or that it has received a waiver of this prohibition from the Secretary? (HEA 1992)				
Coordinating Major Financial Aid Responsibilities 9. Does your institution have a system to coordinate all information relating to students' eligibility to participate in the Title IV programs?				
10. Does your institution have valid consortium agreements that contain all required provisions for all applicable students? (§600.9)				
11a. Does your institution monitor the default rates under the Perkins and Part B Loan programs?				
11b. Does your institution initiate action if those rates approach 20 percent? (§668.15)				
12a. Does your institution have a plan for default management?				
12b. Is the plan being implemented in all respects?				

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FOCUS MANAGEMENT ASSESSMENT
MODULE 1 WORKSHEET
(continued)

AREA A. INSTITUTIONAL PARTICIPATION

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Coordinating Major Financial Aid Responsibilities (continued) 13a. Is there an office responsible for calculating and monitoring the institution's student withdrawal rate?				
13b. Is there an office responsible for initiating appropriate action, if that rate approaches 33 percent? (§668.15)				
14a. Has your institution identified all affected institutional components?				
14b. Has your institution assigned responsibility for implementation, prior to and during academic year 1994-95, of a quality assurance system that will satisfy ED requirements? (§454(a)(5) HEA 1992)				
Disclosing Information on Title IV Participation 15. Does your institution publish all of the consumer information required by §668.43 and 668.44?				
16. Are the Satisfactory Academic Progress (SAP) standards and procedures by which a student who has failed to maintain progress and who may re-establish eligibility for Title IV assistance published and readily available to all students? (§668.16)				

* Near-term = Implement within one year
** Long-term = Implementation will require more than one year

FOCUS MANAGEMENT ASSESSMENT
MODULE 2 WORKSHEET

AREA B. FISCAL MANAGEMENT

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Establishing Accounting Systems 1. Does your institution have a system to ensure that federal funds are used only for program purposes?				
2a. Has your institution reviewed its debtor position to determine if it meets all of the standards for financial capability (§668.15)?				
2b. •Is your institution in compliance with §453(a)(2)(G) HEA 1992?				
3. Are separate offices and individuals responsible for awarding aid and disbursing funds?				
4. Does your system allow you to identify by program the amount of federal cash at your institution at any given time?				
5. Can your institution ensure that it does not charge fees of any kind to promote, originate, or administer federal aid programs? (§454(a)(6) HEA 1992)				
Coordinating Program-Specific Funds 6. Are federal funds deposited into accounts that are properly established and identified for that purpose?				
7. Does your institution properly calculate its Administrative Cost Allowance under the Campus-based programs?				
8a. Does your institution have a system to ensure that it is contributing the correct institutional match of program funds towards Campus-based disbursements?				

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FOCUS MANAGEMENT ASSESSMENT
MODULE 2 WORKSHEET
(continued)

AREA B. FISCAL MANAGEMENT

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Coordinating Program-Specific Funds (continued) 8b. Is the institutional share being provided within the appropriate time frames?				
9a. Are all fund transfers within the Campus-based programs within the allowable award year?				
9b. Are all fund transfers within the Campus-based programs within the program limits?				
Ensuring Adequate Auditing Practices 10. Does your institution's system reconcile all activity that occurs during a 30-day period before the following 30-day period?				
11. Does your system easily identify excess cash (including interest earned on federal funds), and routinely and promptly return monies to program accounts or to the appropriate federal department?				

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FOCUS MANAGEMENT ASSESSMENT
MODULE 3 WORKSHEET

AREA C. RECIPIENT ELIGIBILITY

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Evaluating Student Eligibility 1. Does your institution have a system to ensure that all financial aid recipients possess a high school diploma or equivalent or demonstrate the Ability to Benefit (ATB) from the training provided? (§668.7 and HEA 1992)				
2. Does your institution have a system to ensure aid is provided to only regular students (i.e., students enrolled for the purpose of receiving a degree or certificate) unless exempted by the Higher Education Technical Amendments (HETA) or HEA 1992? (§668.7)				
3a. Does your institution have a policy for granting "leaves of absence"?				
3b. If so, is there a procedure for determining if a student returns from leave? (§682.605)				
4a. Does your institution have a system to ensure that Title IV aid is provided only to students in an eligible citizenship category?				
4b. Does your institution identify eligible non-citizens for whom documentation is required? (§668.7)				
Collecting Required Documentation and Verifying Data 5. Does your institution have a system for collecting all required student certifications and statements?				
6a. Does your institution have a system to identify the need for all required financial aid transcripts (FATs) for students who attended a prior postsecondary institution? (§668.19)				

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FOCUS MANAGEMENT ASSESSMENT
MODULE 3 WORKSHEET
(continued)

AREA C. RECIPIENT ELIGIBILITY

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Collecting Required Documentation and Verifying Data (continued) 6b. Does your institution track the collection of all FATs?				
7. Does your institution have a system for identifying and/or resolving conflicting applicant information in accordance with §668.14?				
Determining Cost of Attendance 8. Are costs of attendance properly calculated (i.e., prorated based on academic year length when necessary, and, if appropriate, adjusted for students studying abroad, incarcerated, or enrolled in correspondence courses)?				
9. Does your institution have a policy that ensures COA's are determined based on costs associated with credit — clock hours and costs associated with weeks of instructional time and are prorated based on full-time, full-year costs?				

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FOCUS MANAGEMENT ASSESSMENT
MODULE 4 WORKSHEET

AREA D. AWARD CALCULATION AND DISBURSEMENT

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	**No improvement action needed at this time**	**Improvement action needed**	**Near-term (N)* or Long-term (L)****
Disbursing Pell Grants				
1. Does your institution have a procedure to ensure that Federal Pell Grant disbursement amounts are calculated based on incorporating the 30-week minimum academic year and standards for weeks of instructional time and credit/clock hours earned? (HEA 1992)				
2. Does your institution use a nine-month expected family contribution (EFC) to determine a student's Federal Pell Grant?				
3. Does your institution have a system to ensure receipt of a valid SAR, ESAR, or official EFC on roster or tape (ISIR) while a student is still enrolled and eligible?				
4. Does your institution ensure that all Electronic SARs are signed by all required persons, and that alternate eligibility output documents are signed by the student to attest that the information reported has been reviewed and is accurate?				
5. Does your institution schedule Federal Pell Grant disbursements often enough so that no one disbursement exceeds half of the annual award (i.e., in the case of a non-standard term that exceeds half of the academic year, at least two disbursements are scheduled during the term)?				
6. Does your institution have a system to ensure that Federal Pell Grant payments are properly reported to ED?				
7a. Does your institution have a system for monitoring student completion of the portion of a term for which she or he was initially paid?				

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FOCUS MANAGEMENT ASSESSMENT
MODULE 4 WORKSHEET
(continued)

AREA D. AWARD CALCULATION AND DISBURSEMENT

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Disbursing Pell Grants (continued) 7b. Does it ensure that subsequent disbursements within the term are not made until the portion previously paid for has, in fact, been completed?				
8. For non-term programs, does your institution have a system to ensure that midpoint disbursements are not made until the student has completed both the minimum weeks and clock — credit hours required in the payment period?				
9. Does your institution ensure that awards to incarcerated students, if eligible for Federal Pell Grant, are within appropriate maximums?				
Packaging Campus-based Awards 10. Does your institution make Campus-based aid reasonably available to all students (including students attending non-main campus locations) represented in your FISAP Eligible Aid Applicant Grid (Part II, Section E)?				
11. Are FSEOG funds first awarded to Federal Pell Grant eligible students with exceptional need (lowest EFC)?				
12. Are Federal Perkins Loan funds first awarded to students demonstrating exceptional need (lowest EFC)?				
13. For Federal Perkins Loan program recipients, does your institution have procedures to determine borrower eligibility for forbearance, deferment, and cancellation provisions?				

* Near-term = Implement within one year

** Long-term = Implementation will require more than one year

FOCUS MANAGEMENT ASSESSMENT
MODULE 4 WORKSHEET
(continued)

AREA D. AWARD CALCULATION AND DISBURSEMENT

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Packaging Campus-based Awards **(continued)** 14. Does your institution have procedures to ensure that due diligence is performed in accordance with requirements of Subpart C, §674.41 - 674.50 of the Federal Perkins Loan program regulations?				
15. Does your institution have an adequate document control system to track and safeguard signed loan notes?				
16a. Does your institution have a system to monitor Federal Work-Study (FWS) earnings?				
16b. Does your institution have a system to adjust subsequent awards or disbursements as necessary?				
17. Does your institution pay FWS earnings at least monthly?				
18. Does your institution have procedures to ensure that at least 5 percent of your FWS funds are paid to students in service to the community?				
Providing Federal Family Education Loans (FFEL) 19. Does your system ensure that information provided and certified on student loan applications is accurate and complete?				
20. Does your institution determine a student's eligibility for a Federal Pell Grant prior to certifying him/her for an FFEL Loan?				

* Near-term = Implement within one year

** Long-term = Implementation will require more than one year

FOCUS MANAGEMENT ASSESSMENT
MODULE 4 WORKSHEET
(continued)

AREA D. AWARD CALCULATION AND DISBURSEMENT

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Providing Federal Family Education Loans (FFEL) (continued) 21. Prior to certifying an unsubsidized Federal Stafford loan for a student, do you determine his/her eligibility for a subsidized Federal Stafford loan?				
22. Does your institution have standard procedures to notify a student in writing if you decline to certify a loan?				
23. Does your institution have a system to ensure that the first payment of a Federal Stafford Loan or an Unsubsidized Federal Stafford Loan made to a first-year, first-time undergraduate student is not released until the borrower has completed the first 30 days of his/her program of study?				
24. Does your institution have a procedure for ensuring that students are provided with all of the information stipulated in the entrance and exit interview requirements of the federal loan programs? (§682.604)				
25. During exit counseling, does your institution have a procedure to ensure that you obtain required or updated information from the borrower in accordance with requirements stipulated in the HEA of 1992?				
26. Does your institution have a procedure established so that students may obtain loans under any state-sponsored or private loan program to offset the EFC? (§454(a)(1)(b) HEA 1992)				

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* Near-term = Implement within one year

** Long-term = Implementation will require more than one year

FOCUS MANAGEMENT ASSESSMENT
MODULE 4 WORKSHEET
(continued)

AREA D. AWARD CALCULATION AND DISBURSEMENT

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Additional Questions for Direct Loan (FDSL) Institutions Only 27. Has your institution defined financial aid awarding procedures for use during the current academic year for student and parent borrowers? (§454(a)(4) HEA 1992)				
28. Has your institution established disbursement procedures for Direct Loans as required by §455(j) of the 1992 HEA as amended?				
29. Does your institution have a system to ensure that a properly executed promissory note is obtained from a Direct Loan borrower prior to releasing any loan proceeds to the student?				
30. Has your institution identified the appropriate level and type of automation to best meet its needs in administering the Direct Loan Program?				
31. If you do not originate loans under the Direct Loan program, have you assigned responsibility and defined procedures for forwarding to ED all student eligibility data needed for alternative loan origination? (§454(a)(1)(E) HEA 1992)				

* Near-term = Implement within one year

** Long-term = Implementation will require more than one year

FOCUS MANAGEMENT ASSESSMENT
MODULE 5 WORKSHEET

AREA E. REPORTING AND RECONCILIATION

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Adjusting Awards 1a. When a student's projected enrollment status changes, does your institution have a policy to determine whether the Federal Pell Grant award must be recalculated taking into consideration changes in COA?				
1b. Is this policy applied consistently to all students?				
2a. Does your institution have standard procedures for reporting changes in awards to the student?				
2b. Does your institution have standard procedures for reporting changes in the central processor?				
2c. Does your institution have standard procedures for reporting changes in other institutional offices as appropriate?				
3a. Does your institution maintain documentation of adjustments made to data elements used to calculate the cost of attendance (COA)?				
3b. Does your institution maintain documentation of adjustments made to data elements used to calculate the expected family contribution (EFC)?				
Providing Title IV Refunds 4. For the purpose of refunding Title IV funds, does your institution have a procedure in place to identify students who register but never attend classes so that financial aid that has been disbursed/credited to the student's account can be returned?				
Providing Title IV Refunds (continued) 5. For the purpose of determining when a refund must be paid, does your institution have a system for determining a student's last day of attendance? (§682.605)				

* Near-term = Implement within one year

** Long-term = Implementation will require more than one year

FOCUS MANAGEMENT ASSESSMENT
MODULE 5 WORKSHEET
(continued)

AREA E. REPORTING AND RECONCILIATION

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	**No improvement action needed at this time**	**Improvement action needed**	**Near-term (N)* or Long-term (L)****
6. Do your institution's internal controls ensure that refund calculations are performed in a timely manner and are mathematically correct?				
7. Does your institution have procedures to ensure that the *pro-rata* refund formula is utilized for all first-time students who withdraw prior to the 60 percent point in the term?				
8. Does your institution have a system for ensuring that credit balances are promptly delivered to students unless a student has voluntarily provided written authorization to the institution to retain those funds for future charges?				
9. Does your institution ensure, when determining the amount it's entitled to retain, that it excludes the unpaid balance owed by the student on the account in accordance with §668.22?				
Reporting and Recordkeeping 10. Does your institution's system facilitate the timely filing of all required program reports (e.g., PMS-272, Pell Grant IPS, Campus-based FISAP) and required audits and financial statements?				
11. Does your institution have a procedure to ensure that the FISAP is prepared properly and electronically submitted to ED by the stated deadline each year?				

* Near-term = Implement within one year

** Long-term = Implementation will require more than one year

FOCUS MANAGEMENT ASSESSMENT
MODULE 6 WORKSHEET

AUTOMATED PROCESSING[1]

(The term "ADP," "automated system," and "system" are used interchangeably throughout this module)

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
1. How well does the ADP system meet the needs of the users in the financial aid office?				
2. Does your ADP system have standard procedures for dealing with exceptional or problem cases?				
3. Do backlogs regularly occur when processing reports or other data needs?				
4. Does your institution have a long-range plan for increasing/improving use of automation?				
5. Is a standard systems development life cycle followed in designing computer applications to ensure that all requirements are fully met?				
6. Do you update documentation of all application software/programming?				
7a. Do you test changes in software and programming?				
7b. Do you follow standard procedures for thorough testing?				
8a. Are adequate controls maintained over inputs to your system, including: Tracking the entry of all source documents (i.e., by using pre-numbering, a log or register, or batch counts)?				

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[1] These procedures are relevant primarily to mainframes or minicomputers. However, you should follow similar types of procedures to control the use of personal or microcomputers and programmable calculators. Please assess whether these controls are needed for each automated system or type of automation you use, completing a separate copy of this section for each system. If you use a centralized data processing center, involve data processing personnel in completing this worksheet.

* Near-term = Implement within one year

** Long-term = Implementation will require more than one year

FOCUS MANAGEMENT ASSESSMENT
MODULE 6 WORKSHEET
(continued)

AUTOMATED PROCESSING

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
8b. Ensuring that the data entered into the system are identical to the data on the source document (i.e., by performing key entry verification)?				
8c. Ensuring the completeness and accuracy of the data reported on the source document (i.e., by using edits, validity tests, and reasonability tests)?				
8d. Ensuring that the use of any special transactions (i.e., those which bypass normal checks) is restricted and supervised?				
8e. Storing all source documents or microfiche copies?				
9a. Are adequate controls maintained over rejected or erroneous transactions, including: Using suspense records to track re-entry or cancellation of all previously rejected transactions?				
9b. Ensuring that all rejected transactions are corrected or canceled (e.g., by tracking and approving responses to error listings)?				
9c. Applying edits, validation, and reasonability tests to all re-entered transactions that are identical to those for initial entry?				
10. Are adequate controls maintained over outputs, including recording and checking control totals, record counts, and so on?				
11a. Does the institution have adequate contingency plans, including: Procedures for back-up processing and recovery in the event of processing interruptions or temporary shut-downs?				

* Near-term = Implement within one year
** Long-term = Implementation will require more than one year

FOCUS MANAGEMENT ASSESSMENT
MODULE 6 WORKSHEET
(continued)

AUTOMATED PROCESSING

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
11b. Procedures for developing back-up copies of all data files in case of catastrophe, and for storing them off-site?				
12. Has your institution taken steps to ensure adequate physical protection against fire, water damage, theft, and sabotage?				

* Near-term = Implement within one year

** Long-term = Implementation will require more than one year

FOCUS MANAGEMENT ASSESSMENT
MODULE 7 WORKSHEET

ADMINISTRATIVE PRACTICES

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Institutional Policies and Procedures 1. Is your institution in compliance with applicable civil rights statutes and regulations?				
2. Is your institution in compliance with applicable NCAA requirements?				
3a. Are financial aid office (and other related offices) staff sensitive to the racial diversities of the student population?				
3b. Are financial aid office (and other related offices) staff sensitive to the ethnic diversities of the student population?				
3c. Are financial aid office (and other related offices) staff sensitive to the cultural diversities of the student population?				
3d. Are financial aid office (and other related offices) staff sensitive to the physically-challenged diversities of the student population?				
3e. Are financial aid office (and other related offices) staff sensitive to the socio-economic diversities of the student population?				
4a. Are deadlines for financial aid consideration and awarding well-publicized?				
4b. Are all application procedures and instructions communicated to students with sufficient time to permit completion of all necessary tasks?				
5. Are staff familiar with students' rights and responsibilities under the Buckley Amendment (FERPA)?				

* Near-term = Implement within one year

** Long-term = Implementation will require more than one year

FOCUS MANAGEMENT ASSESSMENT
MODULE 7 WORKSHEET
(continued)

ADMINISTRATIVE PRACTICES

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Institutional Policies and Procedures (continued) 6a. Does the Director of Financial Aid or designated institutional staff evaluate NPRMs related to student assistance programs as they are published?				
6b. Does the FAO/designee respond to these NPRMs?				
Personnel and Training 7a. Does the Financial Aid Office develop written polices and procedures for all aid-related activities?				
7b. Do they update the written policies and procedures?				
8. Are all relevant personnel periodically required to review current institutional policies and procedures related to their responsibilities, as well as the relevant requirements of federal, state, and other agencies?				
9. Is training provided to all new personnel related to general office policies and procedures?				
10a. Are professional staff encouraged to attend training sessions provided by ED?				
10b. Are professional staff encouraged to attend training sessions provided by state guaranty agencies?				
10c. Are professional staff encouraged to attend training sessions provided by professional associations?				

* Near-term = Implement within one year
** Long-term = Implementation will require more than one year

FOCUS MANAGEMENT ASSESSMENT
MODULE 7 WORKSHEET
(continued)

ADMINISTRATIVE PRACTICES

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Personnel and Training (continued) 11. Is in-service training provided to all personnel?				
12a. Are written job descriptions (including factors that will be used to evaluate performance) developed for all personnel?				
12b. Are the job descriptions updated periodically?				
13. Has the institution implemented a formal process for periodically evaluating the performance of all personnel?				
14. Are there standard procedures to ensure that staff are available as needed?				
15. Do financial aid staff (and other relevant offices) meet to jointly develop a master schedule for student aid delivery, including all relevant deadlines, forecasted workloads, and person(s) responsible for each task?				
16. Is there a working relationship between financial aid office staff and the staff of other offices with related functions (i.e., do you meet or communicate regularly with representatives from the business office, registrar, and others)?				
Retaining Records and Reporting 17a. Have routine procedures been established for: Filing and storing documents?				
17b. Retrieving documents?				

* Near-term = Implement within one year

** Long-term = Implementation will require more than one year

FOCUS MANAGEMENT ASSESSMENT
MODULE 7 WORKSHEET
(continued)

ADMINISTRATIVE PRACTICES

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
17c. Copying or microfiching or imaging documents?				
17d. Purging and cleaning out or archiving files?				
18a. Does the institution follow federal requirements for archiving records?				
18b. Does it follow state requirements for archiving records?				
18c. Does it follow institutional policies for archiving records?				
19. If another office is responsible for archiving/storing financial aid records, are those records readily accessible if needed?				
20a. Are all documents routinely used by a number of people maintained in a common filing system?				
20b. Is it centrally located and controlled?				
21. Are copies maintained of all reports submitted to and received from the federal Government, as well as the records and calculations upon which each submission is based?				
Space and Facilities 22. Is the financial aid office conveniently located and accessible to physically challenged students?				
Space and Facilities (continued) 23. Does the total office space and set-up enhance the function of the office (e.g., privacy for counseling, and so on)?				

* Near-term = Implement within one year

** Long-term = Implementation will require more than one year

FOCUS MANAGEMENT ASSESSMENT
MODULE 7 WORKSHEET
(continued)

ADMINISTRATIVE PRACTICES

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Administration and Management				
24. Is there a system to spot-check files to ensure staff work is consistent and in compliance with all statues, regulations, and institutional policies?				
25. Does the office maintain an adequate number of forms and other supplies to avoid delays?				
26a. Are all staff required to provide reports of accomplishments during a given period?				
26b. Are all staff required to provide objectives for the upcoming period (e.g., month, quarter)?				
26c. Is this information shared with other staff?				

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* Near-term = Implement within one year

** Long-term = Implementation will require more than one year

❖ CHAPTER TWO

MANAGEMENT ENHANCEMENT TASK

OVERVIEW

In the process of completing the activities in the Management Assessment Task, you identified areas in your financial aid operation that require improvement. Activities in the Management Enhancement Task will assist you in (a) developing plans for implementing new or enhanced procedures and (b) improving your institution's compliance with Title IV requirements. Throughout the management enhancement process, your institution will establish its own methods for implementing changes, while considering available resources and office capabilities.

The following two activities are included in the Management Enhancement Task:

- Activity One: Schedule of Activities for the Management Enhancement Task (Worksheet ME-1)
  - Plan ME Task;
  - Develop a schedule and determine appropriate timeframes for completing ME activities;

  - Identify staff responsible for each ME activity; and
  - Record actual date each ME activity is completed.

- Activity Two: Complete Management Enhancement Action Plans (Worksheet ME-2)
  - Identify enhancement item(s) (from Worksheet MA-3) on which to focus enhancement actions;
  - Develop an action plan for each enhancement action; and
  - Prioritize enhancement actions.

Descriptions of these activities are provided below.

ACTIVITY ONE: SCHEDULE OF ACTIVITIES FOR THE MANAGEMENT ENHANCEMENT TASK

The first activity you will complete as part of the Management Enhancement Task will be to plan all required activities, using Worksheet ME-1: Schedule of Activities for the Management Enhancement Task. Worksheet ME-1 lists the various activities, completion dates suggested by ED, the team member responsible for each activity, and the actual date each activity is completed. The QAP allows for flexibility in task schedules, based upon individual institution circumstances and calendars. However, keep in mind that QA Program history indicates that when institutions operate their QA Programs within the timeframes suggested by ED, they are far more likely to be successful in completing the ME activities. The schedule should be updated as ME activities are completed.

WORKSHEET ME-1
SCHEDULE OF ACTIVITIES FOR THE MANAGEMENT ENHANCEMENT TASK[1]

Management Enhancement Activity	Suggested Date for Successful Implementation	Staff Responsible/ Team Member	Date Completed (Actual)
Select team members to complete ME activities.	Immediately after completing MA Task.		
Complete Worksheet ME-1: Schedule of Activities for the Management Enhancement Task.	Immediately after completing MA Task.		
Complete Worksheet ME-2: Management Enhancement Action Plan for each identified enhancement action.	No later than August 1. Submit with End-of-Year Report.		

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[1] Make a copy of this Worksheet for each team member responsible for completing Management Enhancement activities. Post one copy in the office, and place the original schedule in your master QAP File.

ACTIVITY TWO: COMPLETE MANAGEMENT ENHANCEMENT ACTION PLANS (WORKSHEET ME-2)

Using the Management Assessment Task Worksheet MA-2a or b and c you completed for the MA Task, determine the items (hereafter referred to as "enhancement items") on which you will focus management enhancement actions (hereafter referred to as "enhancement actions"). For each of your enhancement items, you will develop a Management Enhancement Action Plan for each enhancement action you wish to plan for and implement using Worksheet ME-2. Please note that you may have more than one enhancement action you would like to implement to address a single enhancement item (from MA-3a or b and c). An example of a completed ME-2 has been provided; and you may want to refer to the example as you review the instructions for completing ME-2. To assist your institution in planning enhancement actions you should track the resources (staff, materials, and so on) required to implement each enhancement action.

The following describes the steps you will take to complete Worksheet ME-2 for each of the enhancement actions you have identified:

1. **Describe** the enhancement item at the top of Worksheet ME-2 under "Enhancement Item."
2. **Identify** the enhancement action necessary to address the enhancement item, and list the enhancement action on Worksheet ME-2 under "Enhancement Action."

WORKSHEET ME-2
MANAGEMENT ENHANCEMENT ACTION PLAN
High or Low Priority: ________

1. Enhancement Item: ____________________

2. Enhancement Action: ____________________

3. Lead Person, Title, and Office: ____________________

4. Other Campus Office(s)/ Representative(s) Involved:

1)	5)
2)	6)
3)	7)
4)	8)

	Projected Dates	Actual Dates
5. Implementation Start Date:		
Implementation End Date:		

6. Long- or Near-Term Management Enhancement Action? ____________________

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EXAMPLE

WORKSHEET ME-2
MANAGEMENT ENHANCEMENT ACTION PLAN

High or Low Priority: High

1. Enhancement Item: *9-month EFC determination (D-2)*

2. Enhancement Action: *4 hr. training session with Pell staff and Bursar's representative*

3. Lead Person, Title, and Office: *Jane Doe, Assistant Director, FAO*

4. Other Campus Office(s)/ Representative(s) Involved:

1) *Bursar's: David Jones*	5)
2)	6)
3)	7)
4)	8)

	Projected Dates	Actual Dates
5. Implementation Start Date:	*October 16, 1995*	*October 22, 1995*
Implementation End Date:	*October 30, 1995*	*November 3, 1995*

6. Long- or Near-Term Enhancement Action? *Near-term action*

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3. **Decide** who would be the best individual from your ME Task team to assure that each enhancement action is properly monitored, and record his or her name, title, and office under "Lead Person, Title, and Office."

4. **Identify** representatives from other institutional offices affected by implementation of a management enhancement, and request that they serve on ME Task teams for implementing all enhancements involving their offices. On Worksheet ME-2, record the offices involved and their representatives who will work on your team.

5. **Decide** when implementation of the enhancement action will begin and end. Record the dates in the rows labeled "Implementation Start Date" and "Implementation End Date," under the "Actual Dates" column.

6. **Determine** whether your enhancement action is near- or long-term, as follows:

   - *Near-term enhancement actions* can be implemented within one year; and

   - *Long-term enhancement actions* require more than one year to implement.

The last step is to prioritize the enhancement actions your institution has identified, based on the areas from Worksheet MA-3a or b and c. You should focus first on any areas clearly not in compliance with federal statutes or regulations. After dealing with compliance-related enhancement actions, you may want to focus next on an enhancement action that will be relatively simple to implement (e.g., near-term or minimal resources), but will yield positive results in a short period of time. A quick success based on a relatively simple enhancement action will build confidence in and support for your QA program, and will lay the foundation for tackling your tougher quality problems.

For each enhancement action, you will record the priority level (i.e., either high or low) at the top of Worksheet ME-2. In the example worksheet provided, the enhancement action was a high

Note: Numerous software products are available to assist you in monitoring progress on goals (e.g., Timeline). The software would help you track by person responsible, task name, or due dates. They often produce Gantt charts, PERT charts, calendars to assist in scheduling and planning, resource tracking and other helpful tools. You may find an investment in such a product worthwhile.

priority. This indicates that the institution will implement this enhancement action before its low priority actions.

You will need to start implementing enhancement actions in a timely manner. Depending on the type and number of enhancement actions you plan to implement, we suggest that you stagger the implementation of major enhancements over a one- to two-year period of time.

As you plan and implement enhancement activities, you should file the Management Enhancement Worksheet(s) (and any materials developed to document the enhancements planned or implemented) — in your QAP master file. Remember to update the worksheets as changes occur, by recording changes as part of the monitoring process and by noting in the appropriate columns under "Actual" modifications to enhancement actions, person(s) responsible, and start and end dates. Complete the Management Enhancement Task Assessment form at the end of this chapter. Information from this assessment form will assist you in planning for ME activities in subsequent years. As a reminder, a complete set of one-sided *QAP Workbook* worksheets is included in Appendix E. You may use these worksheets for making additional copies.

COMMITMENT TO CONTINUOUS IMPROVEMENT

An effective quality assurance system must be viewed as an on-going, continuous process. The activities in Part I of the *QAP Workbook* have assisted you in completing a management assessment and in initiating management enhancements. You will perform annual follow-up assessments to determine the effectiveness of enhancement

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❖ TASK ASSESSMENT

ASSESSMENT OF MANAGEMENT ENHANCEMENT TASK

1. Approximately how many hours were required for each of the following levels of staff to complete the Management Enhancement (ME) Task and worksheets? If no hours were required of a certain level of staff, please enter zero.

Staff Level	Number of Hours
Professional — Paraprofessional (e.g., QA Coordinator or Counselor)	
Clerical — Data Entry (e.g., secretary or word processor)	
Student Workers	

2. What resources other than staff did you require to complete the ME Task and worksheets? You should include all equipment, materials, supplies, and so on, and list what the costs were. Indicate whether this was a one-time or an annual cost.

actions implemented in previous QA Program years and to determine whether additional administrative procedures require enhancements.

The changing nature of regulatory issues, institutional characteristics, and technological capabilities assures that your quality assurance team will need continually to assess and reassess office operations to prepare for future challenges. After the first year of QAP participation, QAP institutions annually review the Management Assessment Task and develop management enhancements designed to correct problems, improve operations, and strengthen management systems.

You are encouraged to expand the scope of the management assessment to address other non-Title IV areas of concern at your institution. Such expansion might include areas in which changes were introduced at your institution, or areas affected by changes in federal requirements. In subsequent years, you may select areas included in the Management Assessment you believe to be most relevant for your institution (using the Core Management Assessment and Focus Management Assessment Modules), and continue to strive toward including other institutional offices in your quality assurance program.

Now that you have completed the qualitative component of the QA Program Task Cycle, you are ready to begin the quantitative component of the QAP — the Annual Measurement and Quality Improvement Tasks. These two tasks are the focus of Part II.

ASSESSMENT OF MANAGEMENT ENHANCEMENT TASK (CONTINUED)

Additional Resources	Dollar Value ($)	One-Time or Annual Cost

3. What benefits did your institution gain from completing this particular task and its worksheets?

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❖ CHAPTER THREE

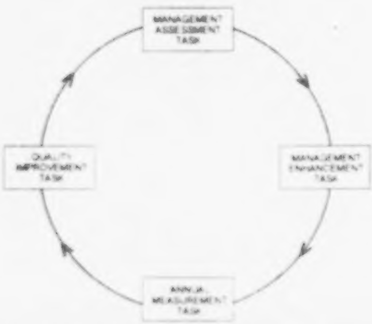
Annual Measurement Task

OVERVIEW

In Chapters One and Two you completed a qualitative assessment of your institution's administration of Title IV Programs. After completing the Management Assessment (MA) Task, you completed the Management Enhancement (ME) Task and implemented management enhancements as necessary. You have just completed the *QUALITATIVE* component of the QA Program. The next task assists you in conducting a *QUANTITATIVE* assessment of a QAP sample of your Title IV recipient population. The QAP sample will provide you with data concerning the quality of your aid delivery policies and procedures and the accuracy of student-reported information. The management data, also referred to as QA Readings, is defined as the difference between the actual amount of aid disbursed and the amount that would have been disbursed, if all data, calculations, and procedures were correct at the time of the most recent award.

The QA Readings will provide you with valuable data on which you will base your quality improvement program. Institutions complete the Annual Measurement (AM) Task each year, to ensure that quality improvements are effective and to monitor changes in your institution's QA Readings.

QAP TASK CYCLE



Before explaining the activities that comprise the Annual Measurement Task, it is important to explain the desired outcome of the Annual Measurement Task, and how institutions work toward that desired outcome. The Annual Measurement Task is an integral part of the continuous quality improvement cycle. The Annual Measurement Task is refined annually to incorporate changes warranted by reauthorization of the HEA, regulatory changes, and input from QA Program participants. The desired outcome of the Annual Measurement Task is to provide institutions with meaningful data to make changes that improve services to students, the delivery of Title IV aid, and the stewardship of federal funds.

The Annual Measurement activities focus on Federal Pell Grant and Campus-based recipients, certified (subsidized) Federal Stafford Loan applicants, and recipients of (subsidized) William D. Ford Federal Direct Student Loan (hereafter referred to as Direct Loan) originations, and is based on verification of 16 items (i.e., 9 institutional and 7 student-reported items measured for the QA Program). Some of the items were found to be error prone in previous nationwide quality control studies conducted by ED. In addition, QA Program participants have identified areas of vulnerability and have recommended items to be measured for the QA Program. The specific institutional and student items will be explained in more detail in Activity AM-3 — Collect Documentation from QAP Sampled Students.

It is important to remember that the measurements derived from the Annual Measurement Task in the *QAP Workbook* are not equivalent to determining institutional liability as defined by regulations; rather it is a broader measure of how well the systems you currently have in place for delivery of Title IV aid are working.

ED provides a software program (the QAP Software) to assist institutions in completing the Annual Measurement Task. The QAP Software calculates QA Readings for a QAP sample of students selected for the Annual Measurement Task. Institutions collect documentation for each student in the QAP sample and compare it with information used to make a student's most recent award. If there are differences, the QAP Software will calculate a QA Reading. The QAP Software measures student, institutional, and summary data and provides QA Readings at the student level as well as the program summary level. The sampling procedures (outlined later in this chapter) have been developed to provide QAP institutions with a statistically valid QAP sample. Precision levels have been set at 95 percent to ensure both confidence and statistical significance in your data.

The QAP Software was developed to balance the desire for precise measurements with the need to minimize the burden on you and your staff. It is not practical or possible for you to review every student file in your aid office to calculate QA Readings for your entire Title IV population. Therefore, the Annual Measurement activities outlined below are based on a QAP sample of your students. The QAP Software will provide you with estimates of payment and certification QA Readings at your institution if you carefully follow the instructions set forth in the following activities. The QAP sample you select will allow you to extrapolate estimated QA Readings for your entire Title IV recipient population.

The Annual Measurement Task consists of the following five activities:

- Activity One: Develop a Schedule of Activities for the Annual Measurement Task (Worksheet AM-1)
  - Plan AM Tasks;
  - Develop a schedule and determine appropriate timeframes for completing AM activities.
  - Identify staff responsible for each AM activity; and
  - Record actual date each AM activity is completed.
- Activity Two: Select a QAP Sample of Title IV Student Aid Recipients (Worksheet AM-2)
  - Document your sampling procedure;
  - Tailor your sampling efforts according to the characteristics of your own institution;
  - Select a QAP sample that can be replicated, is unbiased, and reliable;
  - Complete Worksheet AM-2: QAP Sample Selection Data for Random QAP Sample; and
  - Complete Worksheet AM-2a: QAP Sample Certification Worksheet.
- Activity Three: Collect Documentation from QAP Sampled Students (Worksheets AM-3 and 3a)

- Plan and document procedures for collecting and verifying[1] documentation: Complete Worksheet AM-3: Documentation Collection Information;

- Identify sources for original and substantiating information;

- Define your procedures for and timing of collecting and verifying documentation;

- Complete Worksheet AM-3a — Standard Documentation and Timing Guidelines for Student-Reported and Institutional Data Items;

- Review cost of attendance to ensure the accuracy of each budget type for each Title IV program at your institution; and

- Establish procedures to ensure an appropriate audit trial.

❖ Activity Four: Verify Data and Calculate QA Readings (Worksheet AM-4)

- Verify the data for each QAP sampled student;

- Complete Worksheet AM-4: QAP Software Data Entry Form for each QAP sampled student; and

- Calculate QA Readings for each QAP sampled student.

❖ Activity Five: Analyze Results

- Analyze individual cases to determine trends in data and cause(s) for QA Readings;

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[1] Verifying in this context means ensuring that certain documentation is present in the student's file as well as checking data values supplied by the student.

- Summarize the results for the entire QAP sample using QAP Software;
- Conduct additional data analysis utilizing Pareto Analysis and other statistical analysis techniques; and
- Submit a backup copy of QAP Software data diskette, Worksheet AM-2, and Software Summary Form to QA Program Contractor.

ACTIVITY ONE: DEVELOP A SCHEDULE OF ACTIVITIES FOR THE ANNUAL MEASUREMENT TASK

Recommended completion dates: the QA Program allows for flexibility based on individual circumstances and calendars. However, program history has shown that, when institutions operate the QA Program within certain time frames, they are likely to be more successful with the sampling and data collection activities.

You now begin the critical process of organizing yourself to complete all of the AM Task activities. To be successful in completing the AM activities, it is important to develop a schedule and assign team members AM Task responsibilities. Worksheet AM-1: Schedule of Activities for the Annual Measurement Task will assist you and your QAP team in completing AM activities. (The Task Schedules are included with each task in the *QAP Workbook*. As you recall, you completed a Task Schedule as part of the Management Assessment and Management Enhancement Tasks). If there are additional steps or activities that you would like to add to the schedule, you may revise the schedule to include those institution-specific items. Make sure that you provide each QAP team member with a copy of the schedule, that a copy is posted in the financial aid office, and the original is placed in your master QAP file.

STAYING ON SCHEDULE

The activities involved in the Annual Measurement Task will be initiated and completed simultaneously with other QAP tasks and routine business of the aid office (e.g., registration, packaging first time students, and so on). Program participants have indicated that a planning document is critical for QAP team members to organize their duties most efficiently (it also can be used as a training document for other staff). By completing Worksheet AM-1, team members become involved in the AM Task planning process, and can better schedule the time that is required to complete both the AM Task and their other duties and responsibilities. Additionally, Worksheet AM-1 serves as a guide to keep AM activities on schedule. Institutions have a greater chance in successfully completing the AM Task if they stay on schedule, share AM Task responsibilities with a team, and integrate QAP activities throughout the organization of the financial aid office.

TEAM BUILDING IS CRITICAL IN COMPLETING AM TASKS

Depending on the size of the financial aid office staff, the number of persons involved in completing AM activities will vary. To complete the Management Assessment and Management Enhancement Tasks, you formed a team which probably included staff from other campus offices. The team concept, and the inclusion of staff from other campus offices, should be carried forward to complete the AM Task. You need to involve individuals from other offices who can assist the QAP team in completing the AM activities. For instance, you may want to include on your team data processing staff or programmers who can develop systems for the financial aid office. Their experience in statistics and programming will assist the team in several activities, including selecting a random QAP sample of Title IV recipients and installing and using the QAP Software.

Likewise, it is important to include a variety of financial aid office staff on the QAP team to assist in completing the tasks. Counselors play a very important role in collecting documentation, adjusting awards when necessary, and working with needs analysis and packaging policies. Their input would be valuable in developing information requests for QAP sampled students, reviewing documentation that is provided by students in the QAP sample, and completing Worksheet AM-4: QAP Software Data Entry Form. Many institutions currently participating in the QA Program also involve staff who works at the reception/information desk, as well as federal work-study students. These individuals play an important role in collecting information from students, logging documentation, and entering data onto the QAP Software.

It is important to point out that these are just a few suggestions for staff you might include on your QAP team to complete the AM Task. The underlying premise is that it is important to ensure that the AM activities are not the responsibility of one staff person. Total Quality Management concepts on which the QA Program is based, stress the importance of teams, and their effectiveness in building a sense of ownership and empowerment among staff members. By forming a team and assigning responsibilities to each team member, you will ensure success in completing the AM activities. QAP institutions have identified the team approach as an important technique to use in developing the necessary staff support for implementing a quality assurance system.

Provided below is an example of how Boise State University organized for completing the Annual Measurement Task:

After investigating the implementation of the QA Program at numerous institutions, the financial aid office director chose to go with a core team to oversee management assessment, annual measurement and improvement activities.

The team consists of four people including the Director, a counselor and two of the clerical staff. This group represented all of the file and fund activities of the office and provides a communication line both to and from the office and team.

All members of the team attended the QAP Training Workshops conducted by ED. This was essential for understanding the requirements AND for planning implementation of QAP activities. The team meets every two weeks and together sets goals, timeframes, and parameters for implementation for all activities. Staff are invited to attend and are provided updates at the general staff meeting (also every other week).

The team approach worked well. Staff continually ask questions about annual measurement activities (will it change, how are we doing on completing it, and so on) and expect regular updates. Staff are keenly interested in the outcome. How they handled the AM Task is typical of the work of the team. Two staff set up the process and review activities, one member handled the public relations work and the fourth member was responsible for the QAP sample selection. Because all of the team was involved, there were rarely times when student or staff questions were unanswered due to the unavailability of a team member. The work of completing Annual Measurement worksheets and the data entry into the QAP Software were team activities. This improved our ability to complete tasks on time and reduced the fatigue factor. Cross review improved accuracy.

Would they set up a team again? Definitely! Integration of QAP goals and activities through their staff is significant at the end of their first year of participation, and they consider that an enormous success.

One other tip: consider testing the QAP Software during your first year of annual measurement as BSU did. It doubles as a training activity and helps you and your team become familiar with the process and QAP software. You'll be better prepared for the completion of Worksheet AM-4, QAP Software data entry, and QAP Software report generation. Lois Kelly, Director of Financial Aid, Boise State University

COMPLETING WORKSHEET AM-1: SCHEDULE OF ACTIVITIES FOR THE ANNUAL MEASUREMENT TASK

The following are various steps to be taken for completing Worksheet AM-1:

- Select team members to participate in completing Annual Measurement activities;
- Have team members thoroughly review Part II of the *QAP Workbook;*

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- Have team members meet to discuss the activities and schedule for completing the Annual Measurement Task. Incorporate Annual Measurement activities into the financial aid office master calendar. Obtain required resources for completing AM activities (e.g., programming support, funds for mailings, computer support, training workshops, and so on);

- Have team members attend annual training workshops sponsored by ED for QA Program participants;

- Assign tasks and responsibilities to team members immediately after attending QA Program training workshop;

- Complete the sections on Worksheet AM-1 that pertain to team member assignments;

- Record the actual completion dates on Worksheet AM-1 immediately after the activities are completed; and

- Distribute copies of Worksheet AM-1 to all team members and financial aid office management, and post a copy for all financial aid office staff to review. Place the original Worksheet AM-1 in your master QAP file.

QAP evaluations have indicated that institutions that fully implemented QAP activities have achieved success with Annual Measurement activities. Successful institutions use a team approach, stay on schedule, and secure the necessary resources to complete AM activities.

Once you have assembled your team to conduct Annual Measurement activities, assigned responsibilities and completed Worksheet AM-1: Schedule of Activities for the Annual Measurement Task, you are now ready to move on to the next AM Task activity — Activity Two: Select a QAP Sample of Title IV Student Aid Recipients.

WORKSHEET AM-1
SCHEDULE OF ACTIVITIES FOR THE ANNUAL MEASUREMENT TASK[2]

Annual Measurement Activity	Suggested Date for Successful Implementation	Staff Responsible/ Team Member	Date Completed (Actual)
Select team members to complete AM activities.	Initiate by September 1, and complete activity assignments no later than October 1.		
Complete Worksheet AM-1: Schedule of Activities for the Annual Measurement Task.	Complete no later than October 1.		
Provide sampling guidelines and instructions to individual(s) assigned to draw QAP sample.	Complete no later than October 1.		
Select QAP sample.	Initiate by October 15, complete no later than November 15 (may vary depending on institution's calendar).		
Complete Worksheet AM-2: QAP Sample Selection Data for a Simple Random QAP Sample.	Initiate by October 15, complete no later than November 15.		
Complete Worksheet AM-2a: QAP Sample Certification Worksheet.	Complete no later than November 15.		
Prepare information requesting documentation from QAP sampled students.	Prepare information prior to QAP sample selection and no later than November 15.		
Review cost of attendance and student budgets, recalculate if needed, and place copy in master QAP file.	Complete review prior to QAP sample selection and no later than November 15.		
Complete Worksheet AM-3: QAP Sample Documentation Collection Plan.	Complete no later than November 15.		

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[2] Make a copy of this Worksheet for each staff/team member responsible for completing Annual Measurement activities. Post one copy in the office, and place the original schedule in your master QA File.

WORKSHEET AM-1 (Continued)
SCHEDULE OF ACTIVITIES FOR THE ANNUAL MEASUREMENT TASK

Annual Measurement Activity	Suggested Date for Successful Implementation	Staff Responsible/ Team Member	Date Completed (Actual)
Review and complete Worksheet AM-3a: Standard Documentation and Timing Guidelines for Student-Reported and Institutional Data Items.	Complete review prior to QAP sample selection but no later than November 15.		
Conduct 1st follow-up with non-respondents.	Complete no later than December 31 (date may vary depending on institution's calendar).		
Complete Worksheet AM-4: QAP Software Data Entry Form for each complete QAP sample case.	Complete after each student's documentation collection is complete. Verify time sensitive data items according to dates specified on Worksheet AM-3a.		
Enter information from completed Worksheet AM-4 onto QAP Software.	Enter data only after time sensitive data items have been verified but no later than July 15.		
Complete Activity Five: Analyze Results. Submit data diskette to QA Program Contractor.	Review may be initiated after completing data entry of Worksheet AM-4 information but no later than July 15.		

ACTIVITY TWO: SELECT A QAP SAMPLE OF TITLE IV STUDENT AID RECIPIENTS

The selection of a statistically valid QAP sample is one of the most critical QAP activities. In this activity things can easily go wrong, and the consequences of mistakes or lack of attention are substantial. A contaminated QAP sample will invalidate the conclusions that can be inferred about your total student aid population. The two areas most at risk of failure are:

- Not defining your target population properly; and
- Not ensuring that your QAP sample frame offers each student the same probability of being selected.

Drawing a valid QAP sample is not a difficult or onerous procedure provided you approach the activity methodically and strict quality control is exercised at each step. Once the goals of sampling student aid recipients are explained, this activity is divided and described in seven separate steps. Be sure to follow the instructions for each step carefully.

WHAT IS THE QAP ATTEMPTING TO MEASURE?

The QAP sampling methodology is designed to produce for each institution an estimate of the total dollar value of all overpayments (and also underpayments for the Pell program) across all Pell Grant and Campus-based recipients, certified (subsidized) Federal Stafford Loan applicants and (subsidized) Direct Loan originations. A QA Reading is taken by aggregating all overpayments and underpayments (underpayments are added to overpayments, not subtracted) and expressing them as a percentage of the total dollar value of all Pell Grant and Campus-based aid disbursed, Federal Stafford Loans certified and Direct Loan originations. An analysis of the QA Readings can be used to determine whether quality improvements are needed to prevent or reduce overpayments and underpayments. The QA Readings provide institutions with meaningful data with which to make changes to improve student services, delivery of Title IV aid, and proper stewardship of federal funds.

As a participant in the QA Program you will rely on estimates based on a QAP sample of your aid recipients to judge how well Title IV aid is being delivered at your institution, and to decide what can be done to improve the process. Estimates for the entire population of aid recipients are inferred from the data collected from your QAP sampled students and quality improvements may be developed based on the information the QAP sample provides.

To provide useful management information, the margin of precision for the parameter being estimated must be defined, and a decision must be made concerning the level of confidence you want to have in it. When the precision margin and confidence level for the estimate have been decided, it is possible to determine the minimum QAP sample size needed to produce an estimate with these predefined characteristics. In setting the precision margins and the level of confidence for the QA Program estimates, a balance was achieved between providing information which can be used confidently by management and avoiding overburdening institutions by requiring too large a QAP sample. These three key sampling concepts — precision margin, confidence level, and minimum QAP sample size — are discussed on the following pages.

Precision Margin

To apply the estimates for QA Readings with confidence in decision making, they should have *known* levels of precision. For example:

From a management perspective, knowing that program overpayments are somewhere between 10 percent and 30 percent of the total dollars disbursed is of limited value. But knowing that overpayments are 20 percent of total program dollars, give or take one percent, is much more useful management information.

The precision of your estimate will depend on the size of the QAP sample drawn. Everything else being equal, bigger QAP samples provide more precise estimates. To obtain an initial estimate of the required QAP sample size, a relatively high level of precision was used because this level can always be relaxed if the required minimum QAP sample size needed to produce it is considered too large.

Confidence Level

Once you have selected a level of precision for your estimate, you must then decide what level of confidence you would like to have in it. This confidence level is typically expressed as a percentage. For example, you may want to be 95 percent confident that program overpayments are between 19 and 21 percent of total program dollars. This means that there is only a 5 percent probability (i.e., a less than a 1-in-20 chance) that the actual QA Reading for your entire population of aid recipients lies outside this range or interval. Everything else being equal, higher confidence levels require larger QAP sample sizes.

The final selection of the precision margins for whatever is being estimated, and the degree of confidence in these estimates, ultimately depend on how the information will be used. For example, if lives or huge costs depend on your estimates (e.g., in assessing the reliability of a critical part for the Space Shuttle) then highly precise estimates, in which you have high levels of confidence, will be needed. However, you might settle for a much lower level of precision and confidence level if you were simply conducting a poll to figure out where most folks in the office would like to hold next year's summer picnic.

Minimum QAP Sample Size

Required minimum QAP sample sizes for the QA Program have been established using a precision margin of ±5 percent of the mean value of the estimate for Title IV program overpayments and underpayments in the QA Program. The Department of Education decided to use a 95 percent level of confidence for this estimate. This means, for example, that if your QAP sample yields an estimate of overpayments/underpayments of 4 percent of Title IV program dollars, you can be confident that the chance is less than 1-in-20 that the *actual* value for the entire population of aid recipients is outside the range of 3.8 percent to 4.2 percent (i.e., 4 percent, ±5 percent of this value). Therefore, management can confidently take action using the fact that program overpayments and underpayments amount to 4 percent of program dollars (within ± 0.2 percent) even though this information was derived from a QAP sample.

Typically, the QA Readings for Title IV overpayments/underpayments have a comparatively large value and the QA Readings for individual data are quite variable; perhaps more so than any other QA Reading in the QAP methodology. For any given precision margin and confidence level, the more variability there is in the data one is trying to estimate, the larger will be the required minimum QAP sample size. Because the recommended minimum QAP sample sizes are based on the QA Reading with greatest data variability, you can be quite confident that the estimates produced for all other Title IV QA Readings will be at least as precise as that for the QA Reading for overpayments/underpayments on which the QAP sample design is based.

The required minimum QAP sample sizes contained in Schedule A (page 30) were computed using the mean and standard deviation of the QA Reading for Title IV overpayments/underpayments for an *average* or typical QAP institution. They are the required *minimum* QAP sample sizes for institutions with over 800 Title IV aid recipients. However, there are good reasons why you may wish to select a QAP sample size larger than the required minimum. Perhaps you believe that your institution differs substantially from the average QAP institution. For example, maybe your institution is new to the QA Program, so you might reasonably expect your data to have greater variability. Or, maybe you have compared your institution's QA Readings to those for the QA Program as a whole (in the Annual Data Analysis Report) and found that your institution's QA Readings are generally higher. In these cases, a larger QAP sample size will improve the level of confidence that you can have in your estimates.

The margin of precision and confidence level that have been selected produce a required minimum QAP sample size that would be burdensome for institutions with small populations of Title IV aid recipients. To reduce the sampling burden for small institutions, a lower required minimum QAP sample size has been obtained by relaxing the level of confidence in the estimate for small institutions from 95 percent to 80 percent. Schedule B (page 30) provides the required minimum QAP sample sizes for institutions with target populations of 800 or fewer Title IV recipients.

Superficially, the data in Schedules A and B suggest that the required minimum QAP sample size needed to produce reliable estimates for QA Readings varies with the size of the target recipient population. Actually, the required minimum QAP sample needed to produce these estimates is determined independently of the size of the target recipient population. The required minimum QAP sample size varies by size of the target recipient population in Schedules A and B because a *finite population correction* (*fpc*) factor has been applied to the initial estimate of the required minimum QAP sample size. The *fpc* factor has been applied to the required minimum QAP sample size for two reasons. First, your QAP student population is finite in size, unlike the infinite populations assumed in standard statistical theory. Second, QAP sampling is conducted without replacement (rather than with replacement).

Whenever the required QAP sample size is small relative to the size of the target population (i.e., the sampling fraction is smaller than 1-in-30), the *fpc* factor is commonly treated as 1, and therefore can be ignored. This is why the required minimum QAP sample size in Schedule A remains the same for all target recipient populations above 10,000. For large populations, the QAP sample size rather than the sampling fraction dominates the precision of the survey results. For example, a QAP sample size of 2,000 drawn from a target population of 4 million people will produce the same level of precision as the same size QAP sample drawn from a target population of 40,000, even though the sampling fraction is much smaller in the former case.

The gains from using sampling are obviously greater when target populations are large. For example, the required minimum

QAP sample size for very large institutions (i.e., over 10,000 recipients) is only about 3 percent of their target recipient population compared to over 20 percent for small institutions (i.e., less than 1,000 recipients). This inherent characteristic of surveys stems from the fact that the required minimum QAP sample size is determined independently of the size of the target recipient population.

Unfortunately, this characteristic also means that for very small populations the gains from sampling may not be worthwhile, even though application of the *fpc* factor has a very appreciable effect in lowering the required minimum QAP sample size. To retain the same precision and confidence levels for estimating QA Readings, institutions with a target recipient population of say 100 would need to QAP sample 71 students, and institutions with a target recipient population of say 380 students would need to QAP sample 143 students. These figures represent large sampling fractions.

WHEN SHOULD SAMPLING START?

You should begin the sampling activity as soon as you can identify most (i.e., 95 percent or more) of your Federal Pell Grant and Campus-based recipients, certified (subsidized) Federal Stafford Loan applicants, and (subsidized) Direct Loan originations. Do not delay this activity. The longer you delay, the more difficult it will be to collect documentation from students in the QAP sample.

Depending on your institution's enrollment patterns, there will be variation in the timing of QAP sample selection as follows:

- *Traditional enrollment* institutions must *complete* their QAP sample selection by no later than November 15. (Dates for initiating and completing this activity may vary according to your institution's calendar.)

- *Non-traditional enrollment* institutions[3] may choose to select several QAP samples. They should, however, strive to *begin* their QAP sample selection by October 15.

Instructions for non-traditional enrollment institutions to draw a QAP sample for each enrollment period is discussed in Step 7 (page 33).

STEPS FOR DRAWING A VALID SIMPLE RANDOM QAP SAMPLE

It is important to document, using Worksheet AM-2, the sampling procedures you use. This Worksheet will lead you through all the steps needed to successfully draw a *simple random QAP sample*. This section discusses in detail each of the following steps:

1. count the aid recipients in your target population,
2. establish the sampling frame,
3. choose an appropriate QAP sample size,
4. determine the probability of selection,
5. specify a random seed,
6. assign random numbers to all students in the sampling frame,

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[3] A non-traditional institution is one characterized by significant enrollment changes over the course of the year. For example, proprietary institutions which enroll new students weekly/monthly/quarterly, or community colleges which continue to enroll new aid recipients over the fall and into the spring. These institutions may need to select at least two samples.

7. draw your QAP sample, and

8. certify your QAP sample.

You will use a probability sampling technique which allows each student to be selected only once. This sampling technique is known as *simple random sampling without replacement*. Using this technique, every student in your target aid recipient population will have the *same probability* of being selected for the QAP sample. There are different ways of drawing simple random QAP samples, but the method provided in the *QAP Workbook* involves using computer software to assign random numbers to all students in the sampling frame.

To use this method successfully, each of the steps enumerated below must be completed carefully. If these steps are followed, you will ensure that the QAP sample you draw is completely unbiased.

Step 1. Count the Aid Recipients in Your Target Population

Be sure you fully understand which students in the student aid population you are targeting. The target population for which you want to obtain an estimate of Title IV overpayments/underpayments is all the students who were Pell Grant and/or Campus-based aid recipients and/or were certified for a (subsidized) Federal Stafford Loan or received a (subsidized) Direct Loan origination during the current award year, excluding summer-only recipients. Only those individuals identified as belonging to your target population should be counted in Worksheet AM-2 and appear in the sampling frame (see Step 2).

The following types of aid recipients or applicants are **not** part of the QA Program target population:

- Eligible applicants who never received Pell Grants or Campus-based aid;
- Eligible applicants who were calculated as ineligible for a subsidized Stafford Loan or Direct Loan;
- Students who only received unsubsidized Stafford Loans, unsubsidized Direct Loans, and/or PLUS Loans;
- Summer-only Title IV recipients; and
- Students whose only aid was a PLUS Loan.

You should obtain from a reliable source (e.g., your data processing department) a list of all the aid recipients in your target population. Ideally, this list should be in electronic format. The list will serve two purposes. First, it will be used to obtain counts of students in the relevant Title IV programs and enable you to complete Items 1a through 1e on Worksheet AM-2. Second, the list will form the basis of your sampling frame. We encourage you to obtain help from programming staff who will be able to write short programs to produce the information needed in AM-2.

Your target population comprises all the students who were Pell Grant and/or Campus-based aid recipients and/or were certified for a (subsidized) Federal Stafford Loan or received a subsidized Direct Loan origination during the current award year, excluding summer-only recipients. Eligible applicants who never received Pell Grant or Campus-based aid or were calculated as ineligible for a Federal Stafford Loan or Direct Loan should *not* appear on the list. Make sure the list is up to date, and ensure that no student who should be on the list is missing. Only students who actually received Pell Grant and/or Campus-based aid and/or were certified Federal Stafford Loan applicants or received a Direct Loan origination for the *current* award year (excluding summer-only recipients) should appear on the list.

Worksheet AM-2 requires you to count the number of students receiving Pell Grants in the current award year (excluding summer-only recipients). Count each student once only and enter the number under Item 1a. Please also include the total Pell Grant dollars awarded to *all* Pell Grant recipients at your institution.

Count the number of students who received Campus-based aid during the current award year (excluding summer-only recipients). Count each student once only and enter the number under Item 1b. Count the student even if the student has already been counted as a Pell Grant recipient. However, if a student received aid from more than one Campus-based program, count the student only once. This is what is meant by an unduplicated count of Campus-based recipients. Under Item 1b, include the total Campus-based dollars awarded to *all* Campus-based recipients at your institution.

Count the number of certified Federal (subsidized) Stafford Loan applicants and/or students who received a (subsidized) Direct Loan origination for the current award year (excluding summer-only recipients). Count each student once only even if the student received more than one certification or origination and enter the number under Item 1c. Count the student even if the student has already been counted as a Pell Grant and/or Campus-based recipient. You should count the student if the student was an eligible Stafford Loan applicant and you processed the paperwork even if the student did not actually receive any Stafford monies. (However, Federal Stafford Loan applicants who were certified as ineligible for a Stafford loan should *not* be counted). Under item 1c, include the total Federal Stafford Loan/Direct Loan dollars certified/originated for *all* eligible Federal Stafford Loan and Direct Loan applicants.

Item 1d asks for an unduplicated count of Pell Grant, Campus-based aid recipients, and recipients of Direct Loan originations and certified Stafford Loan applicants. This requires that each student be counted only *once* even if the student received both Pell Grant **and** Campus-based aid **and** was certified for a Federal Stafford Loan or received a Direct Loan origination. The number of students in this count must be the same as the number of students appearing in your sampling frame (see Step 2).

Please note: The following sum [Item 1a + Item 1b + Item 1c] will **not** give you an unduplicated count of Pell Grant, Campus-based, and recipients of Direct Loan originations and certified Federal Stafford Loan applicants.

In Item 1e enter the date on which the counts were considered accurate.

Additional instructions for non-traditional enrollment institutions: Institutions with non-traditional enrollment patterns (i.e., they continuously enroll students throughout the academic year) must follow the instructions described in this section. However, because you might to begin draw your QAP sample before the *actual* number of Pell Grant and/or Campus-based aid recipients, and/or recipients of Direct Loan originations and certified Stafford Loan applicants are known, institutions with non-traditional enrollments will have to base their counts on an *estimate* of these numbers. Any such estimates should be based on the *previous year's experience* with adjustments for any anticipated changes. Non-traditional enrollment institutions should use these estimates to complete Items 1a through 1d on Worksheet AM-2 and write "estimate" after the entry. You should also complete item 1e, and note the source(s) used to develop the estimates (e.g., previous year's data).

Step 2. Establish the Sampling Frame

An accurate sampling frame is essential for drawing an equal probability QAP sample. To ensure accuracy, your sampling frame must contain *every* member of your target recipient population. It is extremely important that each recipient and/or applicant appears only *once* in your sampling frame even if the student received two or more sources of aid. Remember, to obtain a truly random QAP sample, each student in the sampling frame must have the *same* probability of being selected for the QAP sample. Do *not* allow a student to appear in the list more than once. If a student receives all three forms of Title IV aid, and appears three times on the list, two of these entries must be deleted before random numbers are assigned. To facilitate the detection of duplicate entries, you may want to sort your list alphabetically by last name or by social security number.

Please do not rush into drawing your QAP sample. Time spent carefully reviewing the information that appears in your sampling frame will be well rewarded. Make sure that the names in the sampling frame accurately represent your target population by ensuring that:

- no student is missing,
- no student appears more than once, and
- the information is up to date.

Also, confirm the counts entered into Worksheet AM-2 with colleagues to ensure they "ring true." A problem caught at this stage will prevent much more effort being expended to correct it

WORKSHEET AM-2
QAP SAMPLE SELECTION DATA FOR A SIMPLE RANDOM QAP SAMPLE

ITEM 1a.	Total number of students receiving Pell Grants.*	
	Total Pell Grant program (not QAP sample) dollars awarded.	
b.	Total unduplicated number of students receiving aid under one or more of the Campus-based programs.*	
	Total Campus-based program (not QAP sample) dollars awarded.	
c.	Total unduplicated number of students certified/originated for (subsidized) Stafford Loans/Direct Loans.*	
	Total subsidized Stafford Loan/Direct Loan program (not QAP sample) dollars certified/originated.	
d.	Total *unduplicated* number of students who received aid (total number of students receiving Pell and/or Campus-based aid and/or certified/originated for a subsidized Stafford Loan/Direct Loan for the current award year; not the sum of 1a, b and c).*	
e.	Date as of which counts are accurate.	
ITEM 2a.	Minimum QAP sample size.	
b.	Actual QAP sample size (if larger or if it includes entire population).	
ITEM 3.	Sampling interval (1.d divided by 2.a or 2.b, eliminating the numbers after the decimal point).	
ITEM 4.	Random seed (if applicable).	
ITEM 5.	Actual number of students drawn for the QAP sample.	
ITEM 6a.	Source used for QAP sample selection (e.g., name of computer file or source of manually maintained list).	
b.	Date as of which this list is accurate up-to-date, and complete.	
ITEM 7.	Attach to this form a list of students included in the QAP sample.	

*Includes recipients for the current award year, excluding any summer-only recipients.

later on in the QA process. An undetected problem within the sampling frame may invalidate all the inferences you can draw about your target population.

Step 3. Choose an Appropriate QAP Sample Size

Once you have established a thoroughly reliable sampling frame, the next step in the QAP sampling procedure consists of selecting an appropriate QAP sample size. Select the required minimum QAP sample size for your institution from either Schedule A or Schedule B (see page 30 for these two schedules) as follows:

- Institutions with a Title IV aid recipient population of more than 800 should select the required minimum QAP sample size from Schedule A; and

- Institutions with 800 or fewer Title IV aid recipients should select their required minimum QAP sample size from Schedule B.

If you decide to use a larger QAP sample than the minimum specified in Schedules A or B, it is important that you still adhere to all the instructions discussed here for drawing the QAP sample. These instructions are designed to ensure that the QAP sample you draw is unbiased and that each member in the target recipient population has an equal, and non-zero, probability of selection. In addition, the required minimum QAP sample sizes in Schedules A and B are based on an assumed response rate of 95 percent. To avoid bias, *you must collect documentation for at least 95 percent of the QAP sampled students*, irrespective of whether you selected the minimum QAP sample size or a larger QAP sample.

When you have determined your QAP sample size, based on the size of your target recipient population, enter your minimum

QAP sample size in Item 2a on Worksheet AM-2. If, based on additional considerations, you have selected a QAP sample size larger than the required minimum QAP sample size enter the actual QAP sample size you are using in Item 2b.

Additional instructions for non-traditional enrollment institutions: Institutions with non-traditional enrollment patterns should follow all the instructions for Step 3 using their *estimated* target recipient population (i.e., the number entered in Item 1d on Worksheet AM-2).

Step 4. Determine the Probability of Selection

Now that you know the QAP sample size you need, the next step consists of determining the probability that any individual student in your sampling frame will be selected. This probability is called the *probability of selection* and may be used in conjunction with a random number generator (see Step 6). It is computed by dividing your QAP sample size (the larger of item 2a or 2b in Worksheet AM-2) by the number of students in your target recipient population (as reported in item 1d on Worksheet AM-2). The arithmetic division you perform will generate a number or quotient that is less than 1. Carry the number of decimal places to *one* more place than you have numerals in your target recipient population. For example, if you have 5,000 recipients (which has four numerals) carry the number of decimal places in the quotient to five decimal places. When you have calculated the probability of selection for your institution, enter the quotient in item 3 on Worksheet AM-2.

Example: The target recipient population for your institution is 1,750. You have determined that the required minimum QAP sample size for your target recipient population is 234. To obtain the probability of selection, divide your QAP sample size (234) by your target recipient population (1,750) and carry the quotient to five decimal places (i.e., one more than the number of numerals in your target population). This gives a probability of selection of 0.13371. Later, in "Drawing Your QAP Sample" (Step 7), you will select for your QAP sample every member of your target recipient population who has an assigned random number of 0.13371 or less; there will be 234 such persons.

Additional instructions for non-traditional enrollment institutions: Institutions with non-traditional enrollment patterns should also follow these instructions except, to obtain their probability of selection, they should divide their QAP sample size by their *estimated* target population (i.e., the number entered in Item 1d on Worksheet AM-2).

Step 5. Specify a Random Seed

Most random number generators found in statistical software packages such as SAS, SPSS, or similar products, require the user to specify a random seed. This *seed* will be used by a random number generator in statistical software (such as RANUNI in SAS) to generate a unique number between zero and one for each student in your sampling frame. The random seed can be any positive integer less than 2,147,483,647. Do not allow the computer to assign the seed (e.g., by using a computer clock observation) otherwise a different set of random numbers will be generated each time the function is used. For any numeric seed value, the RANUNI function returns a number generated from the uniform distribution on the interval (0,1).

You must record the random seed you use in Item 4 on Worksheet AM-2, and in a computer file, so that your QAP sample can be replicated if necessary. This information would be important if your sampling procedures are audited.

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EXHIBIT 3-2
REQUIRED MINIMUM QAP SAMPLE SIZES

QAP SAMPLE SIZES FOR INSTITUTIONS WITH MORE THAN 800 TITLE IV AID RECIPIENTS

SCHEDULE A

Size of the Target Population	Required Minimum QAP Sample Size
801-900	206
901-1000	210
1001-2000	234
2001-3000	243
3001-4000	248
4001-5000	250
5001-6000	253
6001-7000	254
7001-8000	255
8001-9000	256
9001-10000	263
10000+	263

MANAGEMENT QAP SAMPLE SIZES FOR INSTITUTIONS WITH 800 OR FEWER TITLE IV AID RECIPIENTS

SCHEDULE B

Size of the Target Population	Required Minimum QAP Sample Size
1-50	36
51-100	54
101-150	66
151-200	73
201-250	79
251-300	83
301-350	86
351-400	89
401-500	92
501-600	95
601-700	97
701-800	99

Step 6. Assign Random Numbers to All Students in the Sampling Frame

Random number generator functions are found in statistical software packages such as SAS, SPSS, and spreadsheet software such as Lotus 1-2-3 or Quattro Pro. These, or similar products, should be used to assign a unique random number to each student in your sampling frame at the time of sampling. To fully document all the steps you have taken to draw your QAP sample, you may want to create another field in your sampling frame data base in order to save these numbers.

Our instructions for assigning random numbers differ, depending on whether you use statistical or spreadsheet software. Irrespective of the software you select, be sure to follow the detailed instructions provided in the software's User's Manual. The instructions provided here are only intended to illustrate how to approach assigning random numbers.

The short SAS program illustrated below shows how random numbers may be generated using the RANUNI function in SAS on a PC computer. This procedure will enable you to select an exact-sized simple random QAP sample:

```
DATA QAP SAMPLE
RETAIN K 230 N 1750
DROP N K
SET IN1.sasdatasetname
N=N-1
IF RANUNI (1)≤K/N
K=K-1
```

In the above example, the user defined QAP sample size (K) is 230, and the user defined target recipient population (N) is 1750. The number in parentheses after RANUNI (i.e., (1)) is a random seed specified by the user. The input file's name is "sasdatasetname."

Spreadsheet software, such as Lotus 1-2-3 or Quattro Pro, also usually contains a built-in function (e.g., the @RAND function) that will generate random numbers between 0 and 1 (with up to 17 decimal places). However, this type of software uses the computer clock to generate the random seed, which means the @RAND function will display a different value between 0 and 1 each time the spreadsheet is recalculated. But, because spreadsheets containing many records (rows) are unwieldy, using a spreadsheet random number generator is really only practical if the size of your target population is relatively small.

If you wish to use a spreadsheet to assign random numbers, the function specified below will produce random whole numbers, in either Lotus 1-2-3 or Quattro Pro, between 1 and 1750 (i.e., the size of the target population in our example).

```
@INT(@RAND*1750) + 1
```

Of course, you will use the size of your actual target population instead of the figure of 1750 used in this example. Create a new column in your spreadsheet data base, and copy this function into each cell. When you do so, a random whole number between 1 and 1750 (or the size of the target population you specified) will be assigned to each student record (row) in the spreadsheet. Immediately convert the numbers generated by the @RAND function in this new column to a fixed value (check the User's Manual on how to do this), and then save the spreadsheet.

Additional instructions for non-traditional enrollment institutions: Institutions with non-traditional enrollment patterns should follow the instructions for Step 6, except that students who were included in *prior* QAP samples must not be assigned new random numbers. Random numbers should be assigned only to new students that were added to the sampling frame *after* the last QAP sample was drawn.

Step 7. Draw Your QAP Sample

In practice, Steps 6 and 7 are often performed as one operation. The random number generator in a statistical software package (e.g., SAS) will assign a unique random number between 0 and 1 to each student in your sampling frame. The students in your QAP sample will consist of all those students who have been assigned a random number less than or equal to the *probability of selection* (Item 3 on Worksheet AM-2).

If you use a spreadsheet random number generator, such as @RAND, the students in your sample will consist of all those students who were assigned a whole number less than or equal to your *selected sample size*. For example, in our illustration, students were randomly assigned whole numbers from 1 to 1750. The minimum required sample size for this target population size is 234 (i.e., our selected sample size). Therefore, all students in the spreadsheet with an assigned number less than or equal to 234 should be included in the sample.

Whichever approach you use (i.e., statistical or spreadsheet) to assign random numbers, you should create a new electronic file consisting of the selected students and also print these cases in hard copy.

Enter the actual number of students drawn into the QAP sample in Item 5 on Worksheet AM-2. It is possible that the QAP sample you draw will be slightly above or below the required minimum QAP sample size stipulated in Schedules A or B. However, you must accept the result of this random and unbiased process. As an additional quality control check, we recommend that you try replicating your QAP sample by repeating Steps 6 and 7.

You must maintain a list of the students in your QAP sample. Retain this list, attached to the completed Worksheet AM-2, in your master QAP file. Also, do not forget to update Worksheet AM-1 when you complete this activity.

Additional instructions for non-traditional enrollment institutions: Institutions with non-traditional enrollment patterns must follow the instructions for Step 7 for each new group of eligible students until all QAP samples for each enrollment period have been drawn.

Two examples of drawing QAP samples in different situations are provided below to illustrate how Steps 6 and 7 might be performed in practice.

Example 1: In this example a single QAP sample is drawn in the fall using a simple random QAP sample. The sampling frame is a computer file of student records. The computer file also contains records of students who did not receive Pell Grants, Campus-based aid, Federal Direct Student Loans or Federal Stafford Loan certifications. A computer program should be written to identify the recipients of Pell Grants, Campus-based aid, Federal Direct Student Loans or Federal Stafford Loan certifications. Read these records into a new file that ignores the non-recipients. Check the new file to ensure that each student appears only once. Determine the probability of selection (divide your QAP sample size by the number of students in your sampling frame). Using the random number function in SAS, SPSS, or another similar statistical software package, specify the random seed, the QAP sample size, and the number of students in the sampling frame, and generate random numbers between zero and one for each record in the file. Select as your QAP sample all records in the file that were assigned a random number less than or equal to the probability of selection. Finally, create a separate file for the QAP sampled students and generate a printed output of all the cases.

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Example 2: In this example, involving an institution with non-traditional enrollment, the institution estimates that in the current award year they will have 2,400 recipients. Based on this size population, the minimum QAP sample size is 243, giving a probability of selection of 0.1. In the first enrollment period 1,200 students receive Pell Grants, Campus-based aid, Federal Direct Student Loans, or Federal Stafford Loan certifications. Based on the previously determined probability of selection (0.1), an initial QAP sample of 120 recipients should be drawn (i.e., 1,200 multiplied by 0.1). These should be drawn as described in Example 1. Assume that in the second enrollment period there were an additional 1,000 aid recipients. The original probability of selection must be maintained in the second QAP sample, so 100 students are drawn from the second sampling frame (i.e., 1,000 multiplied by 0.1) as described in Example 1. Now assume that 500 of the students who enrolled in the third enrollment period received aid. This means that our original estimate of 2,400 recipients turned out to be wrong, because ultimately 2,700 students received aid. However, you continue to apply the original probability of selection (0.1) to the third sampling frame, so an additional 50 student aid recipients are selected. Your final (actual) QAP sample size was 270, which is well above the required minimum QAP sample size because you underestimated the actual number of aid recipients. The most important point this example illustrates is that non-traditional enrollment institutions *must* maintain and apply their *original* probability of selection (based on their earlier estimate of aid recipients) throughout *each* enrollment period, even if this will lead to an actual QAP sample size that is larger (or smaller) than the required minimum size QAP sample for the final number of aid recipients.

Step 8. Certify Your QAP Sample

The sampling task is so critical to the QAP methodology, that institutions must have their QAP sample certified by an impartial third party, who will certify that all the important procedures discussed above were followed completely. Remember, all the sampling procedures discussed above are designed to protect the integrity of the QAP sample and thereby provide measurable confidence in all the QA Readings that are based on these QAP samples.

The QAP Sample Certification Worksheet AM-2a should be completed by a third party as the sampling procedures are applied. The person who is asked to complete Worksheet AM-2a should be familiar with the QAP sampling procedures and should understand how the financial aid office works. The following list provides examples of officials who might be appropriate to certify that the QAP sampling procedures have been applied properly:

- bursar,
- computer center manager,
- student financial aid director, and

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- internal auditor.

Worksheet AM-2a requests the certifying official to verify that: the appropriate minimum QAP sample size was drawn; the QAP sample broadly reflects the composition of the target recipient population; and that the process of selection was random and unbiased (i.e., each recipient had an equal probability of selection). File your completed Worksheet AM-2a with your completed AM-2. Update Worksheet AM-1: Schedule of Activities for the Annual Measurement Task when you have completed this activity.

ACTIVITY THREE: COLLECT DOCUMENTATION FROM QAP SAMPLE OF TITLE IV STUDENT AID RECIPIENTS

Once you have selected your QAP sample of students, the next activity is to collect information needed to make comparisons and measure data accuracy. There are several worksheets included in this activity. The information that you will collect from your QAP sample will be compared against information you used to determine the student's most recent award/certification.[4] This comparison will identify whether or not there are deficiencies in your normal operating or delivery system procedures and if they require implementation of quality improvements. The information can help you determine if changes should be made in your institutional verification program or to the services you provide to your students.

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[4] Most recent award is defined as the amount of aid awarded/certified to the student prior to making any adjustments based on documentation collected for the QAP sample.

WORKSHEET AM-2a
QAP SAMPLE CERTIFICATION WORKSHEET

Certification Area One: Sampling Frame

1. Does the sampling frame include:

   A) Recipients of need-based, subsidized Title IV student financial aid? ☐ Yes ☐ No

   B) Recipients of Federal Pell Grants and Campus-based aid, students certified subsidized Stafford Loans, and recipients of subsidized Direct Loan originations? ☐ Yes ☐ No

______________________	______________________	__________
Name of Person Certifying	*QAP Coordinator*	*Date*

Certification Area Two: QAP Sample Size

1. What is the appropriate minimum QAP sample size? ______________________

2. What is the actual QAP sample size? ______________________

______________________	______________________	__________
Name of Person Certifying	*QAP Coordinator*	*Date*

Certification Area Three: Random QAP Sample Selection

1. Was the random QAP sample:

   A) Correctly selected from the correct QAP sample frame? ☐ Yes ☐ No

   B) Calculate with the correct probability of selection the correct target population size and sample size? ☐ Yes ☐ No

2. Does the QAP sample broadly reflect the composition of the target recipient population? ☐ Yes ☐ No

______________________	______________________	__________
Name of Person Certifying	*QAP Coordinator*	*Date*

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PURPOSE OF DOCUMENTATION COLLECTION

The purpose of collecting documentation for the QAP sample is to obtain information concerning the accuracy of awards/certifications/originations made to students at your institution, and to assess the effectiveness of your institutional controls and procedures. For each student in your QAP sample, you will request the student to provide information to verify the accuracy of the data used to determine the student's most recent award/certification/origination. Additionally, institutions are also required to verify that certain institution-specific data items (e.g., FAT, SAP, COA) and disbursements were correct when determining the student's most recent award/certification/origination.

QAP SOFTWARE CALCULATES QA READINGS

After collecting all the required documentation for 7 student-reported data items, and 9 institutional data items, you will enter the information into the QAP Software. The QAP Software will calculate QA Readings based on the QA Program methodology. The QA Readings are management data used to:

- Develop your institutional verification program (i.e., determine your population and/or data items on which to focus);
- Implement quality improvements to address significant QA Readings; and
- Improve services to students.

ED provides the participating institutions with the QAP Software and a *Users Manual* and *Software Output Interpretation Guide*. The QAP Software compares most recent awards to information provided by students in the QAP sample and calculates QA

Readings on a case-by-case basis and on a summary level as well. In addition, institutions have the ability to conduct analyses on the data by using the Reports function of the QAP Software, and other statistical analysis techniques that are explained later in this chapter.

REQUIRED DOCUMENTATION ITEMS

The QA Program methodology requires institutions to collect the following information from the students selected for the QAP sample. The following 7 student-reported data items must be verified for the QAP sampled students.

STUDENT-REPORTED DATA ITEMS

	Dependent Student	Dependent Student's Parent	Independent Student
1.	AGI	AGI	AGI
2.	U.S. Taxes Paid	U.S. Taxes Paid	U.S. Taxes Paid
3.	Untaxed Income	Untaxed Income	Untaxed Income
4.		Number in Household*	Number in Household*
5.		Number in College*	Number in College*
6.	Title IV Income Exclusion	Title IV Income Exclusion	Title IV Income Exclusion
7.			Independency Status

Additionally, institutions must verify the following information that is maintained at the institution and/or in the student's financial aid file. There are 9 institutional items to be verified:

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* These items are time sensitive. *Time sensitive* means there is an appropriate timeframe in which to collect the necessary documentation or to ensure that the documentation is present in the student's file. For items marked *time sensitive* you should use the current value of that item. If the item is not time sensitive, you should use the most recent value.

Institutional Data Item	**Source**
1. Statement of Educational Purpose/Certification Statement on Refund/Default	Maintained in student's official financial aid file
2. Satisfactory Academic Progress*	Maintained in student's official financial aid file, SAP Policy is determined by institution
3. Selective Service Compliance Statement	US Department of Education SSCS Tape Match
4. Financial Aid Transcript	Maintained in student's official financial aid file
5. Cost of Attendance*	Budgets maintained by institution
6. Enrollment Status*	Information maintained by institution
7. Other Aid/Resources*	Information maintained by institution
8. Title IV Refund Required	Information maintained by institution
9. Amount of Aid Disbursed	Information maintained by institution

DOCUMENTATION COLLECTION

Documentation collection consists of the following five Steps:

1. Complete Worksheet AM-3: QAP Sample Documentation Collection Plan;

2. Review and Complete Worksheet AM-3a: Standard Documentation and Timing Guidelines for Verifying Student Reported and Institutional Data Items;

3. Review Cost of Attendance and Student Budgets, and Recalculate if Needed;

4. Prepare Information Requesting Documentation From QAP Sampled Students; and

5. Conduct Follow-up With Non-respondents Until a 95 Percent Response Rate is Achieved.

These steps are described below.

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* These items are time sensitive. *Time sensitive* means there is an appropriate timeframe in which to collect the necessary documentation or to ensure that the documentation is present in the student's file. For items marked *time sensitive* you should use the current value of that item. If the item is not time sensitive, you should use the most recent value.

Step 1: Complete Worksheet AM-3: QAP Sample Documentation Collection Plan

You and your team will develop a plan for collecting documentation from the students selected for the QAP sample. You will need to decide how you will contact the students, to whom the students need to respond, and what consequences students may face, should they fail to comply. Worksheet AM-3 (page 41) has been designed for you to document the procedures you will use to collect the required documentation from students at your institution. Remember, you must initiate this activity by no later than November 15 as specified on Worksheet AM-1: Schedule of Activities for the Annual Measurement Task. A substantial amount of planning should be done prior to selecting the QAP sample to enable you to distribute requests for documentation immediately after the QAP sample is selected. You must make a reasonable effort to collect all documentation from 100 percent of your QAP sampled students. Please remember that data items for which you are consistently unable to collect documentation may bias your measurement results. For example, if a large number of students did not provide verifying documentation for number in college, you will be unable to determine if it is a vulnerable item at your institution. Therefore, you must conduct several follow-ups with non-respondents in an effort to collect all documentation for all QAP sampled students.

Help is available. Contact your QAP colleagues for copies of successful and effective documentation collection letters, forms, and information.

QAP sample sizes have been adjusted to compensate for non-response. If at least 95 percent of your QAP sampled students have documentation for all 9 institutional items and documentation for no fewer than 4 student-reported items and you cannot complete documentation collection within a reasonable amount of time, then you may consider your documentation collection complete. Listed below

WORKSHEET AM-3

QAP SAMPLE DOCUMENTATION COLLECTION PLAN

1 Brief Description of Procedures for Requesting Documentation	2 Person(s) Responsible	3 Date Implemented	4 Cumulative Response Rate[5] (%)
1.			
2.			
3.			
4.			
5.			
			FINAL

---

[5] Number of sampled students for whom all documentation has been received divided by total number of students in the QAP sample, at the point just before the next procedure for requesting documentation (from Column 1) is initiated.

are examples of how QAP institutions have encouraged students to respond to requests for documentation for the QA Program:

- Provide QAP sampled students with a dedicated phone number to use in the event they have questions concerning the QA Program and/or the information they are requested to submit;
- Do not require QAP sampled students to wait in line at the financial aid office. They are issued "Front of the Line" passes to make the process of submitting their information less burdensome;
- Conduct workshops for QAP sampled students to explain the QA Program and answer questions students may have about why they need to submit information; and
- Inform QAP sampled students that additional aid disbursements will be placed on hold or canceled if they fail to comply with the request for information.

You have the responsibility to inform the students selected for the QAP sample that they have been randomly selected for the QA Program and that they are required to provide information to verify the accuracy of their Title IV awards/certifications/originations. You will design procedures to collect documentation directly from the student, parent, or various agencies. These procedures are likely to be very similar to those you have used for regular verification, and may include:

- Sending a written request to the student, parent, or agency;
- Contacting the student, parent, or agency by telephone;
- Setting up an appointment with the student, parent, or agency;

- Contacting the student while he or she is on campus; or

- Requiring the student to submit the documentation prior to receiving additional aid disbursements.

These procedures are suited specifically to collect documentation for the student-reported data items. Some information may be already available in the student's original file. For example, if you collect tax returns for all applicants you will already have the documentation needed to verify the income-related student data items. In those cases, you need not recollect documentation for these data items. However, some student-reported data items and some institutional items are considered "time sensitive." Time sensitive items require verification at specifically prescribed points in time. Each student-reported data item as well as institutional data items are identified on Worksheet AM-3a along with the timing guidelines that correspond to each item.

You will need to review the student's original file, your needs analysis system, and information from other institutional offices to verify those items listed as institutional data items.

Complete Worksheet AM-3 by briefly describing the procedures you will use to request documentation from QAP sampled students and how you will verify institutional data items. Next, specify the team member or staff member responsible for each activity. Finally, note the date the activity was completed. You may also want to record the response rate after the initial contact with the students, and then after subsequent follow-up requests. Do not forget to record the completion date for this activity on Worksheet AM-1: Schedule of Activities for the Annual Measurement Task. Place a copy of Worksheet AM-3 in your master QAP file.

Step 2: Review and Complete Worksheet AM-3a: Standard Documentation and Timing Guidelines for Verifying Student Reported and Institutional Data Items

Worksheet AM-3a serves the following purposes:

- It lists all of the student and institutional data items;
- It provides standard and alternative sources of documentation that you collect from students in the QAP sample;
- It provides timing guidelines for each student-reported and institutional data item; and
- It documents the source of original information for each student-reported and institutional data item.

Worksheet AM-3a should be reviewed and completed prior to contacting the students selected for your QAP sample.

Standard and Alternate Documentation

Worksheet AM-3a lists sources of standard and acceptable alternate documentation for each of the seven student-reported data items and nine institutional data items. These standards are necessary to produce data that are valid, reliable, and useful to institutions, and findings that are comparable across institutions and which can be aggregated for meaningful program level QA Readings. Without such standards, the documentation collected would result in greater burden to institutions that collected documentation more difficult to obtain and requiring more follow-up. The type and amount of QA Readings calculated in the annual measurement process will be, in part, a function of the types of documents collected (i.e., the most reliable documentation will likely result in the most accurate — possibly higher — QA Readings).

WORKSHEET AM-3a

STANDARD DOCUMENTATION AND TIMING GUIDELINES[6] FOR VERIFYING STUDENT-REPORTED AND INSTITUTIONAL DATA ITEMS

Data Item (Student-Reported)	Student Category	Standard Documentation	Provided By	Alternate Documentation	Allowable Percent of Alternate Documentation	Appropriate Time for Documentation Collection	Where is the Information Located at the Institution?
Number in Household	Independent.	Signed Statement listing name, age, and relationship of household member to applicant.	Applicant and Spouse.	N/A	N/A	***Time sensitive.*** May not be collected before October 1 for those starting in the fall or March 1 for those starting in the spring.	
	Dependent.	Signed statement listing name, age and relationship of household member to applicant.	Parents and Dependent Student.	N/A	N/A	***Time sensitive.*** May not be collected before October 1 for those starting in the fall or March 1 for those starting in the spring.	
Number in Household Enrolled in Postsecondary Educational Institutions	Independent and Dependent.	Obtain enrollment documentation from the college(s) at which other household members are enrolled.	Applicant and Spouse; Parents and Dependent Student.	Signed statement listing name and age of family member and name of college.	10%	***Time sensitive.*** May not be collected before October 1 for those starting enrollment in the fall or March 1 for those starting enrollment in the spring.	

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[6] The timing guideline applies to traditional enrollment institutions. If the timing guidelines do not correspond to your institutional calendar, collect documentation as close to completing Worksheet AM-4 as possible.

WORKSHEET AM-3a (Continued)
STANDARD DOCUMENTATION AND TIMING GUIDELINES FOR VERIFYING STUDENT REPORTED AND INSTITUTIONAL DATA ITEMS

Data Item (Student-Reported)	Student Category	Standard Documentation	Provided By	Alternate Documentation	Allowable Percent of Alternate Documentation	[illegible] Documentation Collection	[illegible] Information Located at the Institution?
Adjusted Gross Income and U.S. Taxes Paid	Independent Tax Filer.	IRS Forms, 1040, 1040A, 1040EZ, 1040X. (If applicant filed a joint return but is widowed, separated, or divorced IRS form W-2 is required.)	Applicant and Spouse.	IRS letter 1722, or RTFTP or IRS Form W-2, or IRS Form 4868, and/or signed statement. Copy of filed foreign or Puerto Rican Tax return. For extension: Copy of each W-2 or if self-employed a signed statement; AND a. IRS Form 4868; or b. IRS proof of extension; and c. Copy of return when filed.	10%	***Not time sensitive***. May be collected at the time of or after the QAP sample has been drawn if there is no standard documentation already in the student's file.	

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WORKSHEET AM-3a (Continued)
STANDARD DOCUMENTATION AND TIMING GUIDELINES FOR VERIFYING STUDENT REPORTED AND INSTITUTIONAL DATA ITEMS

Data Item (Student-Reported)	Student Category	Standard Documentation	Provided By	Alternate Documentation	Allowable Percent of Alternate Documentation	Appropriate Time for Documentation Collection	Where is the Information Located at the Institution?
Adjusted Gross Income and U.S. Taxes Paid (continued)	Dependent Tax Filer.	IRS Forms: 1040, 1040A, 1040EZ.	Parents and Dependent Student.	IRS Letter 1722, or RTFTP, or IRS form W-2, or IRS Form 4868, and/or signed statement.	10%	***Not time sensitive.*** May be collected at the time of or after the QAP sample has been drawn if there is no standard documentation already in student's file.	
	Dependent Tax Filer.	(If applicant filed a joint return but is widowed, separated, or divorced IRS Form W-Z is also required).	Parents and Dependent Student.	Copy of filed foreign or Puerto Rican tax return. For extension: Copy of each W-2, or if self-employed, a signed statement; AND a. IRS Form 4868; or b. IRS proof of extension; and c. Copy of return when filed; and	10%		

WORKSHEET AM-3a (Continued)
STANDARD DOCUMENTATION AND TIMING GUIDELINES FOR VERIFYING STUDENT REPORTED AND INSTITUTIONAL DATA ITEMS

Data Item (Student-Reported)	Student Category	Standard Documentation	Provided By	Alternate Documentation	Allowable Percent of Alternate Documentation	Appropriate Time for Documentation Collection	Where is the Information Located at the Institution?
Adjusted Gross Income and U.S. Taxes Paid (continued)	Non Tax Filer.	Signed statement of non filer status and income; and W-2 if appropriate.	Parents, Dependent Student, and Independent Student.	N/A	N/A	***Not time sensitive.*** May be collected at the time or after the QAP sample has been drawn if there is no standard documentation in the student's file.	
Independency Status If the student meets any one of the following criteria s/he is independent: 1. Born before January 1, 1972.		Copy of birth certificate, drivers license, or baptismal certificate, passport, ID card (if the state requires a copy of birth certificate).	Applicant.	N/A	N/A	***Not time sensitive.*** May be collected at the time of or after the QAP sample has been drawn if there is no standard documentation already in the student's file.	

WORKSHEET AM-3a (Continued)
STANDARD DOCUMENTATION AND TIMING GUIDELINES FOR VERIFYING STUDENT REPORTED AND INSTITUTIONAL DATA ITEMS

Data Item (Student-Reported)	Student Category	Standard Documentation	Provided By	Alternate Documentation	Allowable Percent of Alternate Documentation	Appropriate Time for Documentation Collection	Where is the Information Located at the Institution?
Independency Status (continued) 2. Veteran of U.S. Armed Services.		VA document DD-214 (Member 4 copy).	Applicant.	N/A	N/A	***Not time sensitive.*** May be collected at the time of or after the QAP sample has been drawn if there is no standard documentation already in the student's file.	
3. Ward of the Court or both parents deceased.		Court document, or statement from the court , or official death certificates.	Applicant.	N/A	N/A	***Not time sensitive***. May be collected at the time of or after the QAP sample has been drawn if there is no standard documentation already in the students file.	
4. Have legal dependents other than spouse.		1040, copy of birth certificate(s), or signed statement.	Applicant.	N/A	N/A	***Not time sensitive***. May be collected at the time of or after the QAP sample has been drawn if there is no standard documentation already in the student's file.	

WORKSHEET AM-3a (Continued)
STANDARD DOCUMENTATION AND TIMING GUIDELINES FOR VERIFYING STUDENT REPORTED AND INSTITUTIONAL DATA ITEMS

Data Item (Student-Reported)	Student Category	Standard Documentation	Provided By	Alternate Documentation	Allowable Percent of Alternate Documentation	Appropriate Time for Documentation Collection	Where is the Information Located at the Institution?
Independency Status (continued) 5. Married or separated student.		1040, copy of marriage license/ certificate.	Applicant.	N/A	N/A	***Not time sensitive.*** May be collected at the time of or after the QAP sample has been drawn if there is no standard documentation already in the student's file.	
6. Graduate/ professional student.		Copy of graduate enrollment status or other institutional confirmation.	Institution.	N/A	N/A	***Not time sensitive.*** May be collected at the time of or after the QAP sample has been drawn if there is no standard documentation already in the file.	

WORKSHEET AM-3a (Continued)
STANDARD DOCUMENTATION AND TIMING GUIDELINES FOR VERIFYING STUDENT REPORTED AND INSTITUTIONAL DATA ITEMS

Data Item (Student-Reported)	Student Category	Standard Documentation	Provided By	Alternate Documentation	Allowable Percent of Alternate Documentation	Appropriate Time for Documentation Collection	Where is the Information Located at the Institution?
Untaxed Income and Benefits 1. Social Security.	Independent.	If none reported, signed statement that no benefits were received	Applicant and Spouse.	N/A	N/A	***Not time sensitive***. May be collected at the time or after the QAP sample has been drawn if there is no standard documentation already in the student's file.	
		or Document from the Social Security Administration, 1040	Applicant and Spouse.	N/A	N/A		
		or Signed statement from applicant and spouse.	Applicant and Spouse.	N/A	N/A		
	Dependent.	If none reported, signed statement that no benefits were received	Parents and Dependent Student.	N/A	N/A	***Not time sensitive.*** May be collected at the time or after the QAP sample has been drawn if there is no standard documentation already in the student's file.	
		or Document from the Social Security Administration, 1040	Parents and Dependent Student.	N/A	N/A		
		or Signed statement from parents **AND** applicant.	Parents and Dependent Student.	N/A	N/A		

WORKSHEET AM-3a (Continued)
STANDARD DOCUMENTATION AND TIMING GUIDELINES FOR VERIFYING STUDENT REPORTED AND INSTITUTIONAL DATA ITEMS

Data Item (Student-Reported)	Student Category	Standard Documentation	Provided By	Alternate Documentation	Allowable Percent of Alternate Documentation	Appropriate Time for Documentation Collection	Where is the Information Located at the Institution?
Untaxed Income and Benefits (continued) 2. Child Support.	Independent.	Signed statement certifying amount received for all children in the household or	Applicant/Spouse.	N/A	N/A	***Not time sensitive.*** May be collected at the time of or after the QAP sample has been drawn if there is no standard documentation already in the student's file.	
		Separation or divorce decree or	Applicant/Spouse.	N/A	N/A		
		Signed statement from the parent who provided the support showing amount of child support provided. (If none reported, signed statement that no child support was received).	Applicant/Spouse.	N/A	N/A		

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WORKSHEET AM-3a (Continued)
STANDARD DOCUMENTATION AND TIMING GUIDELINES FOR VERIFYING STUDENT REPORTED AND INSTITUTIONAL DATA ITEMS

Data Item (Student-Reported)	Student Category	Standard Documentation	Provided By	Alternate Documentation	Allowable Percent of Alternate Documentation	Appropriate Time for Documentation Collection	Where is the Information Located at the Institution?
Untaxed Income and Benefits (continued) Child Support (continued).	Dependent.	Signed statement certifying amount received for all children in the household	Parent(s) and Dependent Student.	N/A	N/A	***Not time sensitive***. May be collected at the time of or after the QAP sample has been drawn if there is no standard documentation already in the student's file.	
		or					
		Separation agreement or divorce decree	Parent(s) and Dependent Student.	N/A	N/A		
		or					
		Signed statement from the parent who provided the support, showing amount of child support provided.	Parent(s) and Dependent Student.	N/A	N/A		
		(If none reported, signed statement that no child support was received).					

WORKSHEET AM-3a (Continued)
STANDARD DOCUMENTATION AND TIMING GUIDELINES FOR VERIFYING STUDENT REPORTED AND INSTITUTIONAL DATA ITEMS

Data Item (Student-Reported)	Student Category	Standard Documentation	Provided By	Alternate Documentation	Allowable Percent of Alternate Documentation	Appropriate Timing for Documentation Collection	Where is the Information Located at the Institution?
Untaxed Income and Benefits (continued) 3. VA Non-Educational Benefits.	Independent.	Award Letter from VA or Signed statement from applicant.	Applicant.	N/A	N/A	***Not time sensitive.*** May be collected at the time of or after the QAP sample has been drawn if there is no standard documentation already in the student's file.	
4. ADC/AFDC.	Independent.	Signed statement from applicant.	Applicant.	N/A	N/A	***Not time sensitive.*** May be collected at the time of or after the QAP sample has been drawn if there is no standard documentation already in the student's file.	
	Dependent.	Signed statement from parent or Statement from Social Services.	Parent.	N/A	N/A	***Not time sensitive.*** May be collected at the time of or after the QAP sample has been drawn if there is no standard documentation already in the student's file.	

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WORKSHEET AM-3a (Continued)
STANDARD DOCUMENTATION AND TIMING GUIDELINES FOR VERIFYING STUDENT REPORTED AND INSTITUTIONAL DATA ITEMS

Data Item (Student-Reported)	Student Category	Standard Documentation	Provided By	Alternate Documentation	Allowable Percent of Alternate Documentation	Appropriate Time for Documentation Collection	Where is the Information Located at the Institution?
Untaxed Income and Benefits (continued)							
5. Other Untaxed Income and Benefits: • IRA or KEOGH, • Tax exempt interest-income, • Foreign income exclusions, • Interest on tax-free bonds, • Untaxed portion of pensions.	Independent	U.S. Income Tax Return.	Applicant and Spouse	N/A	N/A	***Not time sensitive***. May be collected at the time of or after the QAP sample has been drawn if there is no standard documentation already in the student's file.	
	Dependent.	U.S. Income Tax Return.	Parents and Dependent Student.	N/A	N/A	***Not time sensitive***. May be collected at the time of or after the QAP sample has been drawn if there is no standard documentation already in the student's file.	

WORKSHEET AM-3a (Continued)
STANDARD DOCUMENTATION AND TIMING GUIDELINES FOR VERIFYING STUDENT REPORTED AND INSTITUTIONAL DATA ITEMS

Data Item (Student-Reported)	Student Category	Standard Documentation	Provided By	Alternate Documentation	Allowable Percent of Alternate Documentation	Appropriate Time for Documentation Collection	Where is the Information Located at the Institution?
Title IV Income Exclusions	Independent.	IRS Form W-2 and verification of child support paid for dependents not living with applicant/spouse or Signed statement from applicant and spouse or Worksheet #3 from FASFAA	Applicant and Spouse.	N/A	N/A	***Not time sensitive***. May be collected at the time of or after the QAP sample has been drawn if there is no standard documentation already in the student's file.	
	Dependent.	IRS Form W-2 and verification of child support paid out or Signed statement from parent and/or applicant or Worksheet #3 from FASFAA.	Parents and Dependent Student.			***Not time sensitive***. May be Collected at the time of or after the QAP sample has been drawn if there is no standard documentation already in the student's file.	

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WORKSHEET AM-3a (Continued)
STANDARD DOCUMENTATION AND TIMING GUIDELINES FOR VERIFYING STUDENT REPORTED AND INSTITUTIONAL DATA ITEMS

Data Item (Institutional)	**Student Category**	**Standard Documentation**	**Provided By**	**Alternate Documentation**	**Allowable Percent of Alternate Documentation**	**Appropriate Time for Documentation Collection**	**Where is the Information Located at the Institution?**
Statement of Educational Purpose/ Certification Statement on Refund and Default	All Applicants.	SAR part I or Institutional SEP/Certification Statement on Refund and Default or Award letter or Registration or administrative disbursement forms that have SEP/Certification Statement on Refund at Default.	Institution.	N/A	N/A	***Not time sensitive.*** May be verified any time after the QAP sample is drawn.	

WORKSHEET AM-3a (Continued)
STANDARD DOCUMENTATION AND TIMING GUIDELINES FOR VERIFYING STUDENT REPORTED AND INSTITUTIONAL DATA ITEMS

Data Item (Institutional)	Student Category	Standard Documentation	Provided By	Alternate Documentation	Allowable Percent of Alternate Documentation	[illegible] Documentation Collection	[illegible] Institution?
Selective Service Compliance Statement	All male applicants that are 18 years or older, but not born before 1960, and are not active members of the Armed Forces.	Title IV SSCS Match or Separate Institutional SSCS Form or Letter from Selective Service.	Institution.	N/A	N/A	***Not time sensitive***. May be verified anytime after the QAP sample is drawn.	
Satisfactory Academic Progress (According to the institution's SAP policy.)	All Applicants.	Students academic record for the appropriate academic period or List of students not maintaining SAP.	Institution.	N/A	N/A	***Time sensitive.*** Varies with institutional policy (e.g., • At each disbursement, or • At beginning of academic year).	

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WORKSHEET AM-3a (Continued)
STANDARD DOCUMENTATION AND TIMING GUIDELINES FOR VERIFYING STUDENT REPORTED AND INSTITUTIONAL DATA ITEMS

Data Item (Institutional)	Student Category	Standard Documentation	Provided By	Alternate Documentation	Allowable Percent of Alternate Documentation	Appropriate Time for Documentation Collection	Where is the Information Located at the Institution?
Financial Aid Transcript	All Applicants.	A FAT must be in a student's file if the student attended other eligible institutions. The FAT statement must be in the student's original file at the time of QAP measurement.	Institution.	N/A	N/A	***Not time sensitive.*** May be verified any time after the QAP sample is drawn.	
Cost of Attendance	All applicants.	Recomputed COA and student budgets.	Institution-Copies of each type of budget for each program should be in your QAP file.	N/A	N/A	***Time sensitive.*** May be verified after the end of the institution's refund or add/drop period(s).	

WORKSHEET AM-3a (Continued)
STANDARD DOCUMENTATION AND TIMING GUIDELINES FOR VERIFYING STUDENT REPORTED AND INSTITUTIONAL DATA ITEMS

Data Item (Institutional)	Student Category	Standard Documentation	Provided By	Alternate Documentation	Allowable Percent of Alternate Documentation	Appropriate Time for Documentation Collection	Where is the Information Located at the Institution?
Other Aid/ Resources	All applicants receiving Campus-based and/or Federal Stafford/Direct Loans.	Please refer to Chapter 5 of ED's Student Financial Aid Administrator's Handbook for specific information on items that should be considered as other aid/resources for the Campus-based and Stafford and Direct Loan Programs.	Institution - may require coordination with other offices (e.g.: • Bursar's disbursement records, • Academic Departments, • Listing of recipients of State aid, • FAO records of outside aid awarded to students (e.g., Rotary Scholarships, • VA office records, • Athletic aid, and • JTPA and vocational rehabilitation).	N/A	N/A	*Time sensitive.* For **traditional enrollment institutions,** do not verify before March 1 (regardless of whether student attended fall and spring terms or only the spring term) For **non-traditional enrollment institutions,** verify as close to QAP measurement/completion of Worksheet AM-4 as possible.	
Enrollment Status	All applicants.	Registration or academic records.	Institution.	N/A	N/A	*Time sensitive.* May be verified after the end of the institution's refund or add/drop period(s).	

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WORKSHEET AM-3a (Continued)
STANDARD DOCUMENTATION AND TIMING GUIDELINES FOR VERIFYING STUDENT REPORTED AND INSTITUTIONAL DATA ITEMS

Data Item (Institutional)	Student Category	Standard Documentation	Provided By	Alternate Documentation	Allowable Percent of Alternate Documentation	Appropriate Time for Documentation Collection	Where is the Information Located at the Institution?
Disbursement Amount	All Applicants.	The amount of aid from each federal program that is actually disbursed (paid to recipient and/or credited to his or her account).	Institution.	N/A	N/A	***Time sensitive.*** For **traditional enrollment institutions,** not before March 1 (regardless of whether student attended both fall and spring terms or only the spring term) For **non-traditional enrollment institutions,** verify as close to QAP measurement/ completion of Worksheet AM-4 as possible.	
Title IV Refund	Varies according to institutional policy.	Academic records, copies of refund checks, and so on.	Institution may involve coordination with other offices (e.g., • Registrar, • Bursar, • Academic Departments).	N/A	N/A	Varies according to institutional policy.	

Step 3: Review Cost of Attendance and Student Budgets and Recalculate if Needed

A critical step in measuring the accuracy of student awards at your institution is to verify your institution's costs of attendance (COA) calculations. Review each type of budget for each program, and carefully check the COAs to ensure they are correct. Usually there are multiple budgets for each aid program at an institution. Multiple budgets are necessary due to out-of-state tuition charges, clock hours greater or lesser than the academic year, graduate/professional program costs versus undergraduate program costs, special circumstances (e.g., correspondence or study-abroad students), or use of actual rather than average costs. Each budget should be reviewed for accuracy and recalculated if there are circumstances that have caused changes in the COA. Refer to the *Federal Student Financial Aid Handbook* published by ED's Student Financial Assistance Programs, for detailed instructions on constructing correct COAs.

Place copies of each type of budget for each program in your master QAP file. You will need copies of this information when you begin to complete Activity AM-4 (Verify Data and Calculate QA Readings) to verify that the correct COA was used for each QAP sampled student.

When you complete this activity, remember to enter the completion date on Worksheet AM-1: Schedule of Activities for the Annual Measurement Task.

Worksheet AM-3a also lists possible sources of documentation for institutional data items. You must use the sources of standard documentation listed in Worksheet AM-3a to compare with information used to determine the student's most recent award. You must ask QAP sampled students to provide this information to verify the accuracy of the student's most recent award[7] and to determine the effectiveness and accuracy of your operating policies and procedures. For some items and some students, standard documentation (i.e., the source likely to be most accurate) may not be available. For those cases you will use alternate documentation. You should strive to collect standard documentation for student- reported data items; however, you may collect alternate documentation for up to 10 percent of your QAP sample. Please note that a few of the student-reported data items do not have alternate documentation (e.g., Number in Household, Number in College, and Untaxed Income). Therefore you are required to collect the standard documentation from all students in the QAP sample for those data items. Please review Worksheet AM-3a thoroughly before developing documentation request forms. The documentation standards developed for the QA Program are based on verification guidelines in ED's 1995-96 *Verification Guide* and The Financial Aid Administrator's *Handbook*. It is important to note, however, that the QA Program requires institutions to go beyond the basic requirements of federally mandated verification. In some cases, the QA Program methodology is more prescriptive than the procedures described in the *Verification Guide*, specifically regarding timing and updating requirements. The following example is provided to draw comparisons between Title IV verification requirements and requirements for the QA Program:

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[7] Most recent award is defined as the amount of aid awarded/certified/originated to the student prior to making any adjustments from documentation collected from the Quality Assurance Program sample.

TITLE IV VERIFICATION REQUIREMENTS AND QA PROGRAM VERIFICATION REQUIREMENTS[3]

Title IV Verification Requirements. Beginning with the 1995-96 award year, Title IV applicants are no longer required to sign updating statements at the time they submit SARs or other documents to their institution. Please note that this change does not impact the provision requiring applicants to update application information if there is a change in household size, a change in the number of household members attending postsecondary educational institutions, or a change in dependency status, unless those changes result from a change in the applicant's marital status.

Quality Assurance Program Requirements. For purposes of the Quality Assurance Program, you must follow the guidelines for verifying a student's household size and number enrolled in postsecondary education according to the timing guidelines on Worksheet AM-3a: Standard Documentation and Timing Guidelines for Verifying Student-Reported and Institutional Data Items. Although a student's household size and the number enrolled in postsecondary education may have been verified or updated previously, the QA Program methodology is taking a "snapshot" of the student's most recent award at a specified point in time to determine whether there are weaknesses in your institution's aid delivery procedures or in the federal delivery system itself. Therefore, timing guidelines have been developed specifically for the QA Program. You should refer to the timing guidelines on Worksheet AM-3a for specific dates when you can verify student-reported and institutional data items that are time sensitive.

Time Sensitive Student-Reported and Institutional Data Items

For QA Program purposes there are student-reported and institutional data items that are considered *time sensitive*. This refers to the appropriate time to collect the necessary documentation or to check that the documentation is present in the student's file. As stated previously, not all student-reported or institutional data items that you will verify for students in your QAP sample are time sensitive. Listed below are student-reported and institutional data items considered to be time sensitive for the QA Program. Worksheet AM-3a provides a comprehensive listing of each data item, timing guidelines for each student category, as well as sources of standard and alternate documentation.

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[3] QA Program Verification refers to the collection of data from the sample of students selected for the QA Program. Specific student-reported and institutional data items are verified for the QAP sample, and are based on specific timing guidelines. These data are compared to information used to determine the sampled students' most recent awards.

TIME SENSITIVE DATA ITEMS	
Institutional Data Items	**Student-Reported Data Items**
Cost of Attendance	Household Size
Amount of Aid Disbursed	Number in College
Other Aid/Resources	
Satisfactory Academic Progress	
Enrollment Status	
Title IV Refund	
Statement of Educational Purpose	
Financial Aid Transcript	

Now that you have reviewed Worksheet AM-3a, you should discuss the worksheet with your QAP team to identify the documents you will need to request from students, the timing guidelines for verifying the information, whether alternate documentation is allowable, whether the institution has already collected this information, and where it is located.

On Worksheet AM-3a, the last column "Where is the Information Located at the Institution?" provides an opportunity for you to record where the information is located. For student-reported data items, it will probably be in the student's file; however there may be other sources as well. For institutional data items, information may be maintained in several different areas, or in several different offices. By documenting the location of information, you and your QA team will be able to obtain information quickly, better organize the documentation collection process, and most importantly, eliminate the need to ask students and other offices for information that is already in the student's file or in the financial aid office. (For example, copies of tax returns, signed statements, and other information collected for institutional verification).

When you have identified the location and source of verifying documentation for each student-reported and institutional data item, enter the information on Worksheet AM-3a. Make sure to place a copy of Worksheet AM-3a in your QAP file, and provide copies to your QAP team. This table will be an essential part of Step Four: Prepare Information Requesting Documentation from QAP Sampled Students.

Step 4: Prepare Information Requesting Documentation from QAP Sampled Students

You and your QAP team will develop letters and forms to request information from QAP sampled students. The documents you send to students will have a direct impact on the response rate for the entire QAP sample. Therefore, it is essential that your requests be clear, that you specify what action you want taken and the deadline (and any sanctions for not submitting the information), and that you describe the procedures involved for submitting information. Additionally, institutions have found it helpful for students to be aware of and understand the QA Program and how they were selected to participate. It is a good idea to alert students up front that if there are changes in eligibility due to the information they have been asked to submit, adjustments will be made accordingly. As mentioned previously, help is available. Successful documentation letters and forms have been developed by your colleagues. You are encouraged to contact other institutions and ask them for copies of their useful documents. The sharing of information among colleagues in the QA Program has helped to reduce the burden associated with developing documentation forms and letters. *Do not reinvent the wheel; ask a colleague at another QAP institution.*

Once you have your forms and letters developed, it is best to determine the procedures for contacting students, tracking the information that students submit, and storing the information.

Contacting Students

Before sending out initial documentation collection requests, you and your QAP team should review the list of students selected for the QA Program and determine what *additional* information you will need from each student. Therefore, it is very important to review each student's file prior to sending out requests for documentation. Once you have made a determination of the required documentation each student must submit, proceed with contacting the student. A majority of institutions in the QA Program send QAP documentation information requests to the student at his or her campus address. Some institutions also send a separate mailing to parents of dependent students — alerting them that the student must submit documentation. In addition to contacting students by mail, some QAP institutions have used more personal approaches for working with students. For example:

Remember, you do not have to ask the student and/parents to submit information that is already present in the student's file, (with the exception of time sensitive student reported data items).

At Northern Arizona University, the QAP team conducts a series of QAP workshops. The purpose of the workshops is to meet with students chosen for the QAP sample and to explain what the QA Program is, why the student was selected, what documents are needed from them, the deadline to turn in documents, hand out materials (e.g., QAP packets) and to answer questions. This approach enables staff to meet with several students in a short time period. The workshops are conducted in October, shortly after the QAP sample is drawn.

You and your team determine the most effective approach for contacting your QAP sampled students. Be clear, be firm, be consistent, and follow through. Again, draw on the experience of your colleagues, and ask for suggestions and/or recommendations for successful approaches.

Document Tracking Procedures

Before students begin to submit information, have your procedures in place to log/track the documentation. Many aid offices have automated tracking systems that can be used to track collection of QAP documentation. Both students and financial aid office staff need to know where the information should be submitted and who is responsible for tracking the information once it is received.

Again, although procedures vary across institutions, it is extremely important to develop and to implement a document tracking system for QA Program information. Having a system in place will assist you in obtaining the required 95 percent response rate and also enable you to easily identify those students who require follow-up and/or other administrative actions. The following is an example of an institution's documentation tracking system:

Some institutions instruct students to submit information directly to a QAP team member. The QAP team member meets with the student in person, checks over the information for completeness and accuracy, and if all the required information is present, thanks the student personally for their cooperation. This process allows the student to meet with a "real" person and reduces the number of follow-up requests the institution might have to send to the student.

Washington State University has a bar coding system that tracks all incoming and outgoing information from the financial aid office. Bar codes are placed on QAP documents that are sent to the QAP sampled students. When the student returns the information, the bar code is scanned and the information is the placed on the tracking system. The bar coding system enables the institution to automatically generate follow-up letters based on the information that has been tracked with bar codes, and to determine when a student has submitted all the required information. When a QAP file is complete, the tracking system generates a thank you letter to each QAP student.

Maintaining QAP Documentation

Once you receive QAP information from students and it has been logged/tracked according to procedures you and your QAP team have developed, the next step is to decide where the information will be maintained. In the past, QAP institutions were required to establish separate shadow files or QAP files specifically for this information. However, shadow files are now optional since many institutions are moving toward electronic database systems to reduce the amount of paper maintained in student files. Therefore, requiring institutions to establish separate student files for QAP information may be counter-productive to this process. QAP institutions are required to keep QAP information in the student's official financial aid file, or if your office uses image processing, documents can be scanned and stored on optical disk. The key element is to maintain an appropriate audit trail of all QAP information for students in your QAP sample. You will need this information readily available when you begin to complete the next activity: Verify Data and Calculate QA Readings. The data you collect from students in the QAP sample as well as institutional data maintained in the student's file will be used to complete Worksheet AM-4. In addition, this information will be reviewed during a QA Program site visit. Therefore, it is essential that you maintain appropriate documentation so that both QAP information and Title IV information is readily accessible and auditable.

Data Integrity in Documentation Collection

It is important to maintain integrity in documentation collection procedures to ensure that data collected from students in the QAP sample are treated the same as data collected from all other financial aid recipients. The procedures you develop to collect QAP documentation should ensure that QAP sampled cases are not treated differently than non-QAP cases in normal aid processing. In addition, institutions must ensure that errors identified in QAP data items that change a student's most recent award and/or result in a regulatory error, are *corrected* after documentation collection. QAP institutions are not exempt from the Title IV requirement that instructs institutions to make changes to a student's award due to conflicting information and/or updated information. In doing so, you will ensure equity, integrity, and proper stewardship of Title IV, state, and institutional student financial aid.

Step 5: Conduct Follow-up with Non-Respondents Until a 95 Percent Response Rate Is Achieved

As stated previously, you must make every reasonable effort to obtain a 95 percent response rate from students in your QAP sample. In order to make management decisions about your financial aid population, you will need to have a high response rate to determine whether the QA Readings calculated for your QAP sample are random occurrences or accurate estimates of areas requiring quality improvements. Please remember that data items for which you are consistently unable to collect documentation may bias your measurement results. Many institutions are quite successful at obtaining a high response rate if they communicate clearly to students the purpose of the Program, why they were selected, what the student must do, and what the consequences are for not complying with requests for information. There are many approaches that you can take to follow-up with non-respondents. Some institutions send a series of follow-up letters to non-respondents. Other institutions call the student to remind them to submit the information. Again, draw on the experience of your QAP colleagues by incorporating their successful practices into your own QA Program. The QA Program does allow for a 5 percent non-response rate. After numerous unsuccessful attempts to collect documentation from several students in your QAP sample, you can count them as part of your institution's non-response rate. A high response rate will increase the reliability of your data.

What Do You Do With the Data?

Once you have collected, tracked, and filed your data, you are now prepared to move on to the next activity in the Annual Measurement Task — Activity Four: Verify Data and Calculate QA Readings.

ACTIVITY FOUR: VERIFY DATA AND CALCULATE QA READINGS

In this activity you will compare the data collected from students in your QAP sample and with data that were used to determine the student's most recent award. This comparison will help you identify any differences between the two values, and whether the differences have an impact on the student's need and/or eligibility.

There are two tools that assist you with this activity: Worksheet AM-4: QAP Software Data Entry Form and the QAP Software. Both of these tools are explained in the following sections.

WORKSHEET AM-4 AND QAP SOFTWARE

The first tool, Worksheet AM-4: QAP Software Data Entry Form is a document on which you record the information collected for each student in the QAP sample. When all the required documentation for a QAP sampled student has been collected, complete Worksheet AM-4. This worksheet organizes your data to enter into the QAP Software.

The second tool is the QAP Software. The QAP Software measures student, institutional, and summary data to identify differences between data used to determine a student's most recent award, and data collected for QAP purposes. If there are differences, the QAP Software will calculate QA Readings for the QAP sampled students. The data from the Annual Measurement Task will provide you with estimates of payment and certification QA Readings at your institution. You will use these data to determine whether quality improvements are needed to change verification procedures, improve service(s) to students, improve delivery of Title IV aid, or ensure proper stewardship of federal monies.

Within the activity, there are three steps:

1. Verify Data for Each QAP Sampled Student;
2. Complete Worksheet AM-4 for Each QAP Sampled Student; and
3. Data Entry and Calculation of QA Readings for the QAP Sample.

WORKSHEET AM-4: QAP Software Data Entry Form
FOR QA PROGRAM YEAR 1995 TO 1996

Page 1 of 8

Case #: ______________________ **Certification #:** 1 2 3

SSN: _____-_____-_____ **Year in School**[1]: 1 2 3 4 5 6 7 8 9 10

Name:

____
Last First MI

MOST RECENT AWARDS/CERTIFICATIONS/ORIGINATIONS

FPell $______
FSEOG $______ FPerkins $______ FW-S $______
FStafford/Direct Loan $______ Loan Start ___/___/___

DEPENDENCY STATUS

Most Recent D I Documented D I Document Code[2] ___ Report Code ___

STUDENT INPUTS

	Student Data		Parent Data		Codes	
	MR	Doc'd	MR	Doc'd	Doc	Rpt
AGI	$	$	$	$		
US Taxes Paid	$	$	$	$		
Untaxed Income						
Social Security	$	$	$	$		
AFDC/ADC	$	$	$	$		
Child Support	$	$	$	$		
Other Nontaxed	$	$	$	$		
Title IV Exclusions	$	$	$	$		
Household Size						
# in College						

If the student's documented status is "D", the Doc and Rpt Codes are stored as Parent codes; if his/her documented status is "I", the Codes are Student codes.

---

[1] Year in School: 1 =1st year/never attended college; 2 = 1st year/attended college before; 3 = 2nd year/sophomore; 4 = 3rd year/junior; 5 = 4th year/senior; 6 = 5th year/other undergraduate; 7 = 1st year graduate/professional; 8 = 2nd year graduate/professional; 9 = 3rd year graduate/professional; 10 = Beyond 3rd year graduate/professional.

[2] Document Codes: 1 = Standard Documentation; 2 = Alternate Documentation; 3 = Professional Judgment; 4 = Missing; 5 = N/A.

WORKSHEET AM-4: QAP Software Data Entry Form

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Case #. ______________________ **Certification #:** 1 2 3

CATEGORICAL ITEMS

Selective Service Compliance Statement Verified?	Yes	No
Statement of Educational Purpose/Certification Statement Refund and Default	Yes	No
Satisfactory Academic Progress?	Yes	No

Enter disbursements/amount certified while student was *not* maintaining Satisfactory Academic Progress:

FPell $__________

FSEOG $__________ FPerkins $__________ FW-S $__________

FStafford/Direct Loan $__________

Financial Aid Transcript Required?	Yes	No
Financial Aid Transcript Present?	Yes	No

If FAT is required and not present, enter amounts for FPell, FC-B, or FStafford/Direct Loan disbursed while the FAT was missing:

FPell $__________

FSEOG $__________ FPerkins $__________ FW-S $__________

FStafford/Direct Loan $__________

REFUND AND REPAYMENT

Did the student withdraw?	Yes	No
Was recalculation of Title IV aid necessary?	Yes	No
If yes, was the recalculation completed?	Yes	No
Was this student subject to a 30-day loan delay?	Yes	No

WORKSHEET AM-4: QAP Software Data Entry Form

Page 3 of 8

Case #: ______________________ **Certification #:** 1 2 3

ENROLLMENT[3]

Fiscal Year (FPell Grants)	Enrollments		Weights	
	MR	Doc'd	MR	Doc'd
Period 1				
Period 2				
Period 3				
Period 4				
Academic Year (Other Title IV)	**Enrollments**		**Weights**	
	MR	**Doc'd**	**MR**	**Doc'd**
Period 1				
Period 2				
Period 3				
Period 4				

---

[3] F= Full Time; T = Three-Quarter Time; H = Halftime; L = Less Than Halftime; N = Not Enrolled

WORKSHEET AM-4: QAP Software Data Entry Form

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Case #: ____________________ **Certification #:** 1 2 3

FC INPUTS (Required only if case is out-of-tolerance.)

DOB ___/___/___ (mm dd yy) Orphan? Y N Grad Student? Y N Veteran? Y N Dependents? Y N

	Student Most Recent	Parent Most Recent	Student Documented	Parent Documented
Legal State				
Marital Status[4]	1 2 3	1 2 3	1 2 3	1 2 3
# in Household				
# in College				
1994 Return Type[5]	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
1994 Exemptions				
AGI				
U.S. Taxes Paid				
Income (Student/Father)				
Income (Spouse/Mother)				
Social Security				
AFDC/ADC				
Child Support				
Other Nontaxed				
Title IV Income Exclusions				
Cash Worth				
Investment Worth				
Investment Debt				
Business Worth				
Business Debt				

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[4] Marital Status: 1 = Single, Widowed, or Divorced; 2 = Married; 3 = Separated.

[5] Return Types: 1 = 1040 A or EZ; 2 = 1040; 3 = Estimated 1040 A or EZ; 4 = Estimated 1040; 5 = Non-Filer.

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WORKSHEET AM-4: QAP Software Data Entry Form

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Case #: ______________________

Certification #: 1 2 3

	Student Most Recent	Parent Most Recent	Student Documented	Parent Documented
Farm Worth				
Farm Debt				
Age of Older Parent				
FCB Budget Months				
FStafford Budget Months				
FDirect Loan Budget Months				

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WORKSHEET AM-4: QAP Software Data Entry Form

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Case #: ____________________ **Certification #:** 1 2 3

OVERRIDES (Required only if overrides are not the same as Setup defaults.)

FC Assumption and Reject Overrides are used when a student's FC calculation needs to be adjusted due to special circumstances. For example, if a student has 15 verified persons in the household, the user needs to activate the Unusually Large Household reject override. This override prevents an error flag from appearing because of the large household size and allows the FC to successfully calculate.

FC Assumption Overrides	
	Parent # in hh: 3 IF Parents married AND # in hh = 2
	Parent # in college: 1 IF # in college = # in hh AND > 2
	Parent # in college: 1 IF # in college > 6
	Parent AGI: Father + Mother Income IF Parent AGI = 0
	# in College: 1 IF # in college = # in hh AND > 2
	AGI: Student Income IF Indep AND AGI = 0
	AGI: Student + Spouse Income IF Indep, Married AND AGI = 0
	SocSec: 0 IF SocSec = Parent SocSec AND > 0
	Investment: 0 IF Investment = Parent Investment AND > 0
	Bus Value: 0 IF Bus Value = Parent Bus Value AND > 0
	Farm Value: 0 IF Farm Value = Parent Farm Value AND > 0
	Mother Income: Parent AGI if father's and mother's income both = 0 AND AGI is > 0
	Student Income: Student AGI if student's and spouse's income both = 0 AND AGI is > 0
FC Reject Overrides	
	Dependent Student investment value out of range (Code G)
	Dep/Parent OR Indep/Student investment value out of range (Code U)
	Unusually large household (# > 14) (Code W)
	Dependency status inconsistent with factors
	Name is blank (Code N)

WORKSHEET AM-4: QAP Software Data Entry Form

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Case #: ______________________ **Certification #:** 1 2 3

AWARD INPUTS

Do not complete shaded areas.

		Most Recent	Documented
FPell	FC Calculated[6]		
	FC Used		
	COA		
	Disbursed		
FCampus-based	FC Calculated		
	FC Used		
	COA		
	Resources	FPell:	FPell:
		FStafford/DL:	FStafford/DL:
		Other:	Other:
		Non-Need Based:	Non-Need Based:
	Disbursed		
	a. FSEOG		
	b. FPerkins		
	c. FW-S		
FStafford/Direct Loan	FC Calculated		
	FC Used		
	COA		
	Resources	FPell:	FPell:
		FCB:	FCB:
		Other:	Other:
		Non-Need Based:	Non-Need Based:
	Disbursed		

---

[6] Software calculates for out-of-tolerance cases.

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WORKSHEET AM-4: QAP Software Data Entry Form

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Case #: ______________________

Certification #: 1 2 3

COMMENTS (Optional)

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After completing these steps, you will have data to complete Activity AM-5: Analyze Results. The data will provide you with valuable information to determine if quality improvement actions are warranted. You will use the information generated from the QAP Software to complete subsequent year activities of the QA Program cycle. These activities are outlined in Chapter Four: Quality Improvement Task.

The QAP Software automates the QA Program methodology. Institutions will begin the Annual Measurement Task in the fall. The QAP Software will be distributed to the QAP institutions in early winter. The information provided in this section will provide you with a basic overview of the QAP Software and its relationship to documentation collection, verification of information, and calculation of QA Readings. With the QAP Software you will receive a QAP Software *User's Manual* and *Output Interpretation Guide*. The *Users' Manual* and *Interpretation Guide* will provide you with in-depth instructions, definitions, and examples for using the QAP Software. (Read the step-by-step instructions for completing Worksheet AM-4 in the QAP Software *User's Manual*.)

Step 1: Verify Data for Each QAP Sampled Student

When you have collected all the required data from students in your QAP sample, review the information to determine whether there are differences between the data used to determine the student's most recent award and the QAP data the student recently submitted. For QA Program purposes this process is called *verifying data*. You are verifying the accuracy of information you used to determine the student's most recent award by comparing it with the new information collected from each QAP sampled student. In addition, you will verify the accuracy of your institution's normal aid delivery procedures by reviewing the institutional data items used to determine the student's most recent award. By doing this, you will determine whether your aid delivery processes and procedures are working well. Remember, you must follow the timing guidelines for verifying both student-reported and institutional data items found on Worksheet AM-3a.

QA Program Tolerance Levels

Differences between student-reported data used to determine a student's most recent award and data collected for the QA Program do not always result in a QA Reading. The QA Program applies tolerance levels for student-reported data items. The QA Program tolerance levels are the same as those used in the Title IV programs (as of November 29, 1994). QA Program tolerance levels for student-reported data items are as follows:

- ±$400 for both independent and dependent students for all income-related student-reported data items. The following example illustrates application of the ±$400 tolerance:

Example: Jane Smith was selected for the QAP sample. Jane was an independent student and she was required to submit a copy of her tax return. In verifying the QAP information with the data used to determine Jane's most recent award, you discovered that Jane had reported $500 in untaxed income on her application. After reviewing her tax return, you discovered that Jane forgot to include the amount of the Earned Income Credit she received, and therefore, the amount of untaxed income now is $857. Although there was a difference between data used to determine Jane's most recent award and data collected for the QA Program, the difference fell within the ±$400 tolerance level ($500 - $857 = $359). This difference was not calculated by the QAP Software as a QA Reading.

- Zero tolerance for changes in Number in Household and Number in College. The following example illustrates application of the zero tolerance:

Bob Jones was selected for the QAP sample. Bob was a dependent student and he was required to verify that his brother and sister were both attending college at least part-time as he had originally reported on his application. Bob submitted the standard QAP documentation that indicated his brother was not attending college. Bob's most recent award was based on Number in College equal to three (3). However, QAP documentation indicated that only two were enrolled. Because this difference of one (1) exceeds the zero tolerance level established for this data item it is likely that the change will have an impact on Bob's EFC and need, and may require an adjustment in his award.

The QAP Software will calculate a QA Reading for a student-reported-data item that is considered "out-of-tolerance," or exceeds the ±$400 for student-reported data items, and any change in Number in Household and Number in College.

Once verification of the data is completed, you are ready to begin the next step: completing Worksheet AM-4.

Step 2: Complete Worksheet AM-4 for Each QAP Sampled Student

Worksheet AM-4, also known as the QAP Software Data Entry Form, is used to facilitate data entry in to the QAP Software. When you have received all the required documentation from students in the QAP sample, and have completed verifying the information, you can begin completing the Worksheet. You must use Worksheet AM-4 for each case in your QAP sample. The Worksheet will help prevent data entry errors from occurring and will serve as an audit trail of your QAP data collection procedures. Worksheet AM-4 is another tool that facilitates successful completion of the Annual Measurement Task. The information provided on Worksheet AM-4 will mirror the information on the QAP Software. It is very important that you and your QAP team develop procedures for completing the Worksheet to ensure consistency and accuracy. Some institutions have found it helpful to have several team members responsible for completing Worksheet AM-4. This approach works well because it allows for more than one person to become familiar with Worksheet AM-4 and the QA Program methodology.

Participants will receive a detailed overview of the QAP Software at the annual training workshops.

Whatever approach you take, make sure that each QAP team member has the same understanding of the information required to complete Worksheet AM-4.

Worksheet AM-4 is divided into nine sections:

- Most Recent Awards/Certifications/Originations,
- Student Inputs,
- Categorical Items (e.g., FAT),
- Refund and Repayment,
- Enrollment,
- FC Inputs,
- Overrides,
- Award Inputs, and
- Comments.

A description of each section will provide you with an understanding of the information that is required in each section, as well as define and explain the purpose for each section.

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Most Recent Awards/ Certifications/Originations

The *most recent award* is defined as the amount of aid awarded to the QAP sampled student prior to making any adjustments based on documentation collected for the QA Program. Record the most recent amount of aid awarded to the QAP sampled student in this section on Worksheet AM-4. Enter on the appropriate lines the most recent Pell Grant award; the most recent Campus-based (i.e., SEOG, FWS, and Perkins Loan) award; the amount of the subsidized Stafford Loan approved at the time of the last certification; or the amount of the most recent Direct Loan origination. Further guidelines are as follows:

- Include only awarded Perkins Loans (i.e., the student indicated on his or her award letter that he or she would accept the Perkins Loan and signed the promissory note); and

- Do not deduct origination fees from loan amounts. The full certification — origination amount should be entered.

The most recent award indicates the amount of Title IV aid awarded to the student prior to making any adjustments based on documentation collected for the QA Program. The QAP Software will use this information as a baseline in determining whether the student was awarded the correct amount of aid.

Student (Application) Inputs

Student (Application) Inputs are the data items that you based the student's most recent award on, as well as the QAP documentation collected for each student in the QAP sample. For each student in your QAP sample, you will use the most recent data that have been subjected to your institutional verification program or other institutional QAP checks and the documentation you collected for the seven student-reported data items in Task AM-3 to complete the Student (Application) Input section of Worksheet AM-4.

You will enter most recent information in the section labeled "Most Recent," and enter the information collected for QA Program purposes in the section labeled "Documented Value." Additionally, you must enter the type of documentation (i.e., standard, alternate, professional judgment, missing, or not applicable) that you collected from the student in the section labeled "Document Code." The last section in the Student Inputs section is Report Codes. This section allows institutions to enter institution-specific codes for purposes of identifying specific data items or other characteristics about a particular case. You are not required to enter any information in this section. The Report Codes are optional, but they might be useful when analyzing your data.

It is essential that you enter all seven student-reported data items so the QAP Software can determine whether any of data items are outside the QAP tolerance levels. If any of the student-reported data items are outside the tolerance levels, the student's Family Contribution (FC) must be recalculated. To perform this recalculation you may either:

- Manually enter the FC Input portion of the Worksheet AM-4 into the QAP Software and calculate the FC; or

- Follow the QAP Software *User's Manual* instructions for importing original FC data from your institutional needs analysis system or mainframe into the QAP Software. The importing function requires an investment in programming resources, but it reduces both the likelihood of data entry errors and the total amount of time required for data entry.

You must enter information in the Student Inputs section for each case in your QAP sample regardless of whether or not the case is outside the tolerance levels. The QAP Software will calculate payment consequences associated with changes in student-reported data items. If a data item is outside the tolerance level, the QAP Software will calculate a new award, based on the documented information while holding all other student-reported data items constant. The QAP Software will calculate QA Readings for changes in student-reported data items for the Pell Grant and the Stafford and Direct Loan Programs. QA Readings for student-reported data items are not calculated for the Campus-based programs.

To learn more about the QAP Software, volunteer to serve as a QAP Software tester. This opportunity will provide you with an ideal training tool for you and your QAP team.

Categorical Items

The Categorical Items section contains the following institutional documentation items:

- Statement of Educational Purpose/Certification Statement on Refund and Default,
- Selective Service Compliance Statement/Match,
- Financial Aid Transcript, and
- Satisfactory Academic Progress.

After reviewing the student's file to verify whether the information is present, you will enter the appropriate response for each documentation item with "Yes" or "No." If aid was disbursed while the student was not maintaining Satisfactory Academic Progress, or the student had not signed the Statement of Educational Purpose/Certification Statement on Refund and Default, or a match with Selective Service was not verified, you will enter the amounts of aid disbursed/certified/originated while this information was not present in the student's file. Similarly, if you answered "No" to Financial Aid Transcript Present, and any subsequent payments made after the first payment were disbursed for the Pell or Campus-based Programs, you will enter those amounts on the appropriate lines. If any Stafford or Direct Loan payments were disbursed, enter that amount on the appropriate line.

Refund and Repayment

The questions contained in this section of Worksheet AM-4 are provided to allow your institution to track refunds and repayments. The QAP Software will not calculate a QA Reading related to these questions; rather, the Software will simply provide you with a count of your "yes" and "no" responses to refund and repayment questions.

Enrollment

As part of the QA Program methodology, institutions review their enrollment patterns to measure how well their systems for monitoring enrollment are working (e.g., to find vulnerabilities that occur within normal aid processing procedures). QAP institutions review their enrollment at two different points in time. The first point, "Original Enrollment," is defined as the hours/credits used to determine the student's most recent award. The second point, "Documented Enrollment," is defined as the student's enrollment at the time of each disbursement. The underlying purpose of comparing these two items is to determine whether the student was awarded the correct amount of aid based on correct enrollment.

Enrollment information is requested for both the fiscal year (for Pell Grants) and academic year (for Campus-based, Stafford, and Direct Loans). Under "Original Enrollment" enter the appropriate code(s) for the enrollment status used to award the student aid. For "Actual Enrollment" enter the appropriate code(s) for the student's current enrollment status.

The enrollment codes are:

- F = Full-time,
- T = Three Quarters,
- H = Half time,
- L = Less than half-time, and
- N = Not Enrolled.

Next, you will need to enter the package weights (also referred to as award percentages) for each enrollment period. Package weights are the percentage of aid that was awarded to the student for each enrollment period. Enter the package weights for fiscal and academic year enrollment in this section. The package weights must total 1.0. The following example illustrates the application of package weights:

> If your academic year consists of two semesters, the package weights you would use are .50 for the first semester, and .50 for the second semester (.5+.5=1.0). Similarly, if your academic year consists of three terms, you would enter .33 in the first term of enrollment, .33 in the second term of enrollment, and .34 in the third term of enrollment (.33+.33+.34=100).

FC Inputs

FC Inputs are the values used to calculate the Family Contribution (FC) used in the Most Recent Award/Certification/Origination. You only need to complete this section if the student's case is "out of tolerance" (i.e., changes that exceed the ±$400 tolerance levels for student-reported data items that are income related and/or any changes in Number in Household and Number in College).

Enter most recent and documented values of the FC in this section. If the student is independent, enter information only under the "Student" column. If a student is dependent, you must enter information under the "Student" and "Parent" column.

Institutions may use the Import Function of the QAP Software to download FC information from their mainframe or needs analysis system, and import the data into the QAP Software. While this procedure requires an investment of time and programming resources, it saves you from manual entry of FC data for cases that are "out of tolerance." Complete instructions for importing are included in the QAP Software *User's Manual*.

Overrides

The term "FC overrides" refers to the ability to override central processor assumption and reject statements. If your institution routinely uses an FC assumption or reject override, you should use this section of Worksheet AM-4 to document the default(s) you will want to set. You may override assumptions and rejects later on a case-by-case basis.

Award Inputs

QAP institutions record the values used to calculate the student's financial aid award in the Award Inputs section. The Family Contribution, cost of attendance, other aid and resources, and aid disbursements are recorded in this section. Enter the amounts for most recent and documented values in this section.

Comments

QAP institutions record comments about a student's case in the Comments section. This section is optional, and the information you enter is "institution specific." If there are circumstances unusual or particular to a case you would like to document, you may use the comments section to record the information. This information can be used when you begin analysis of cases in your QAP sample with QA Readings. See the QAP Software *User's Manual* for additional information.

Step 3: Data Entry and Calculation of QA Readings for the QAP Sample

After completing Worksheet AM-4 for each QAP sampled student, you will now enter the data from each Worksheet AM-4 into the QAP Software. You and your team should thoroughly review the *User's Manual* prior to entering data into the QAP Software. The instructions and definitions described above provide you with a basic overview of Worksheet AM-4 and its relation to the QAP Software. You are strongly encouraged to read the QAP Software *User's Manual* before you begin data entry.

Once you have entered information from each Worksheet AM-4, the QAP Software will calculate QA Readings according to the QA Program methodology. If there are differences between most recent values and documented values, the QAP Software will calculate a QA Reading for each area of vulnerability. The QAP Software provides you with many options to assist you in analyzing the QAP Software output. The QAP Software "Reports" menu has functions that you can use to generate reports to analyze individual cases, program level data, and/or aggregate data. The "Reports" menu function is an essential tool that you will need to complete the final activity in the Annual Measurement Task: *Analyze Results.*

ACTIVITY FIVE: ANALYZE RESULTS

After completing data entry of all the cases in your QAP sample, you will begin the critical activity of summarizing your data and analyzing the results. This activity is very important. You and your QAP team will need to determine whether the QA Readings generated by the QAP Software are significant and require development and implementation of quality improvements. You may want to include staff from other offices outside of the financial aid office (e.g., Bursar, Registrar, Admissions, and so on), to participate in this process. Involving additional offices will provide for shared responsibility and decision making in the analysis of your QA Readings and implementation of quality improvements.

There are four steps involved in completing Activity Five, and are as follows:

1. Analyze Individual Cases;
2. Summarize Results for the QAP Sample Using the QAP Software;
3. Conduct Additional Data Analysis Using Customized Reports and Other Statistical Tools; and

4. Submit Back-up Copy of QAP Software Data Diskette, Worksheet AM-2, and QAP Software Summary Report to QA Program Contractor.

Each of the steps is described in detail in the following pages.

Step 1: Analyze Individual Cases

The first step in organizing for this activity is to print the calculated Worksheet AM-4 for each case by using the "Reports Function" of the QAP Software. Before you begin to analyze your data, review the printouts for each case in your QAP sample to determine whether any data entry mistakes were made. You and your QAP team may choose to review each case to determine whether there are patterns or trends in the data that may warrant further data analysis using the "Reports" function of the QAP Software. It is also important to keep a copy of the QAP Software output for each student in the QAP sample. This information should be placed in the student's file to document any changes that may have been made to the student's award based on the findings from the QA Program.

Step 2: Summarize Results for the QAP Sample Using the QAP Software

Next, you will use the "Reports" function of the QAP Software to run the Summary Report. The Summary Report will provide you with QA Readings for summary, student, and institutional data items for your entire QAP sample. Student and institutional QA Readings occur when the verified value of an item (student and institutional items are measured) is different (+/- a specific tolerance) from the most recent value used to calculate an award. Student and institutional QA Readings are computed by replacing each of the most recent value of a data item in turn with its respective verified value in the calculation. The resulting award is then compared with the most recent award, and the difference is considered the payment consequence of the individual data item or a QA Reading. The absolute values of these payment consequences are aggregated across all students in the QAP sample for each area of vulnerability, and the aggregate payment consequences are called Summary QA Readings. Remember, the QA Program methodology allows institutions to detect various areas of vulnerability such as:

- Violation of applicable laws and regulations; and
- Errors, variances, or QA Readings resulting primarily from complexities of the delivery system itself (such as timing issues, use of estimated or projected data to determine eligibility, and so on).

For a more detailed explanation of the Summary Report as well as a detailed description of each QA Reading, please review the QAP Software *User's Manual* and *Output Interpretation Guide*. File the calculated Worksheets AM-4 in each student's file, and a copy of the Summary Report in your master QAP file.

It is important to remember that QA Readings do not translate into regulatory liabilities. The QA Readings will provide you with meaningful data with which to implement changes in your institution's verification procedures, improvements in services to students and the delivery of Title IV, and ensure proper stewardship of federal funds. The underlying premise of analyzing your data is to provide confirmation that the systems you have in place for delivering aid to students are working well, and, if there are areas of vulnerability, the data provides you with an opportunity to improve those systems. The following example illustrates how a QAP institution used its QA Readings to measure its success in improving the quality of aid delivery and service to students:

> *A review of our data analysis and trends in dollar variance demonstrates the success of the QA Program at Purdue University. One of the most interesting trends is the comparison of our Title IV aid administered dollar amount to the total dollar variance. Over the past four years, we have seen our Title IV aid administered dollar amount more than double, while the dollar variance for the QAP sample has decreased by more than 200 percent. Coupled with the fact that we have reduced our 1040 verification population from approximately 45 percent four years ago to approximately 25 percent today, we are pleased with the effective results. The QA Program serves as a model for institutions to use a random sampling technique to efficiently analyze areas of vulnerability, form conclusions about the areas needing the most attention, and customize in-house policies and procedures." (Lee Gordon, Purdue University.)*

Step 3: Conduct Additional Data Analysis Using Customized Reports and Other Statistical Tools

You and your QAP team have the option of conducting a more in-depth analysis of your QAP Software output to identify specific areas of your QAP sample population that require further analysis. Additionally, you and your team may want to further analyze your institutional data items to determine whether there are common trends or relationships between institutional areas of vulnerability and student-reported data. This additional analysis will assist you and your QAP team in developing quality improvements for areas needing the most attention and resources, as well as tailoring your institutional verification procedures. To conduct this type of analysis you can use a number of methods. For example:

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- Custom Reports — Using the "Reports Function" of the QAP Software, you can create reports that focus on student cases and variables of your choice. The Custom Reports option allows an institution to go one step further with its analysis by targeting individual data items to identify trends or significance in individual data items or in summary level QA Readings. For example: Institution X wants to determine what segment of their QAP sample population is most prone to misreporting untaxed income. The institution used the custom reports function to design its own report to provide this information. The following variables were listed in the report for each student for which untaxed incomes was out-of-tolerance:

  - Case number;
  - Student name;
  - Amount of Pell disbursed;
  - Amount of CB disbursed;
  - Amount of Stafford disbursed;
  - Amount of most recent untaxed income;
  - Amount of documented untaxed income;
  - Amount of documented AGI;
  - Documented number of household; and
  - Documented number in college.

- Pareto Analysis — Pareto Analysis is a tool you can use to prioritize the magnitude of various causes affecting an outcome. Pareto Analysis was named after an 18th-century economist who proclaimed that "80 percent of the wealth resided with 20 percent of the population." This 80/20 rule can be applied to your data as well. You can conduct your own simple Pareto Analysis by reviewing the Ordered Listing of QA Readings by Dollar Value that is part of the Summary Report. The Ordered Listing of QA Readings provides you with a ranking of the largest dollar values for your QAP sample. Through your review of this listing, you will see that a majority of QA Reading dollars are represented in a smaller portion of your population, much like the 80/20 rule. Using Pareto Analysis will assist you and your team in determining which areas of vulnerability are significant, and require quality improvements; and

- Other Data Analysis Tools Such as SPSS and SAS — You and your team may have access to other forms of statistical analysis packages such as SPSS and SAS at your institution. You can use them to conduct additional data analyses. The QAP Software was developed to allow institutions as much access to their data as possible. Institutions can use the Export Function of the QAP Software to create external files that can be read by other statistical software packages such as SAS and SPSS. Please refer to the Export section of the QAP Software *User's Manual* for specific instructions for using the export function.

The methods mentioned above are only a few of the data analysis tools that you can use to analyze data from your QAP sample. Institutions may participate in sessions focused on statistical thinking and methods at ED training workshops. It is important to draw on the experience from your colleagues, and ask for suggestions and ideas for conducting data analysis.

Step 4: Submit Back-up Copy of QAP Software Data Diskette, Worksheet AM-2, and QAP Software Summary Report to QA Program Contractor

After completing your data analysis activities, don't forget to update Worksheet AM-1: Schedule of Activities for the Annual Measurement Task. In addition, you must create a back-up copy of your data and submit it to the QA Program contractor along with a copy of your Summary Report and Worksheet AM-2: Sampling Worksheet, by July 15th of the QA Program year. It is very important that you meet the July 15 deadline to ensure that you will be able to begin subsequent year activities on schedule.

Do not forget to complete the Annual Measurement Task Assessment form and submit it with your End-of-the-Year Report.

Information from this assessment form will assist you in planning for these activities in subsequent years.

You will use the data that you have measured and analyzed in the Annual Measurement Task to conduct the next task in the QA Program Cycle: the Quality Improvement (QI) Task. The QI Task is the focus of Chapter Four.

❖ TASK ASSESSMENT

ASSESSMENT OF ANNUAL MEASUREMENT TASK

1. Approximately how many hours were required for each of the following levels of staff to complete the Annual Measurement (AM) Task and worksheets? If no hours were required of a certain level of staff, please enter "zero."

Staff Level	Number of Hours
Professional — Paraprofessional (e.g., QA Coordinator or Counselor)	
Clerical — Data Entry (e.g., secretary or word processor)	
Student Workers	

2. What resources other than staff did you require to complete the AM Task and worksheets? You should include all equipment, materials, supplies, and so on, and list what the costs were. Indicate whether this was a one-time or an annual cost.

ASSESSMENT OF ANNUAL MEASUREMENT TASK (CONTINUED)

Additional Resources	Dollar Value ($)	One-Time or Annual Cost

3. What benefits did your institution gain from completing this particular task and its worksheets?

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❖ CHAPTER FOUR

QUALITY IMPROVEMENT TASK

OVERVIEW

The next task in the QA Program cycle is the Quality Improvement (QI) Task. Only institutions that have completed the Annual Measurement Task will be able to complete the Quality Improvement Task. Year-one institutions only are required to complete the qualitative component of the QA Program (i.e., Management Assessment and Management Enhancement) during their first year of QAP participation. The Quality Improvement Task focuses on the results from the quantitative component of the QA Program (i.e., the Annual Measurement Task). You will use the information generated by the QAP Software as the starting point for the Quality Improvement Task.

The basis for implementing the Quality Improvement Task is directly related to analyzing the QA Readings. In the previous chapter, you were provided with examples of how to begin interpreting the QA Readings calculated by the QAP Software. If you have not begun analyzing your data, now is the time to start. Refer to the instructions in Chapter Three, Activity AM-5: Analyze Results, for information on specific tools and techniques that you can use to begin data analysis. It is important to note that QA Readings must be reviewed and analyzed thoroughly before deciding upon any course of action. The Ordered Listing of QA Readings that is part of the Summary Report of the QAP Software provides a ranking of QA Readings by dollar value. Take the time to determine whether a QA Reading is significant, based upon your own institutional population. Because a QA Reading appears at the top of the ordered listing does not necessarily imply that it is a significant problem at your institution.

Activities in the Quality Improvement Task will assist you in:

- Determining the source(s) or cause(s) of the problem or weakness;
- Designing corrective actions or quality improvement to address it; and
- Implementing changes.

The QA Program activities will help you not only to correct problems that might otherwise result in liabilities, but also to improve policies, practices, or systems that, in the long run, will benefit the institution, the students, and the taxpayers. Through the QI Task, your institution will establish its own procedures for resolving problems and implementing change; and such decisions will be guided by consideration of the resources available, the seriousness of the problem, the benefits of change, and the implications of not changing.

An effective quality improvement program includes correcting those areas that place the institution at risk, as well as making changes that result in increased efficiency and improved service to students. Once you have completed an analysis of the QA Readings from the Annual Measurement Task, you and your team will be able to determine the level of effort necessary to address areas needing improvement. The QA Readings provide valuable data upon which to focus your quality improvement efforts. This chapter introduces the concept of developing and implementing quality improvements based on results of quantitative data resulting from the Annual Measurement Task.

Consider quality improvement a continuous journey, which takes you through the process of:

- Setting goals for your quality improvement team;
- Identifying problems;
- Identifying causes of problems;
- Generating solutions;
- Determining the best quality improvement actions;
- Developing a plan of action;
- Gaining management approval and support; and
- Implementing the plan.

Start by identifying QA Readings from the Annual Measurement Task that need to be corrected. Because the QA Readings provide a measure of the accuracy of awards and data elements, the quality improvements that address them are likely to involve changes or adjustments to your verification program. The QA Readings will indicate either the effectiveness of the improvement actions taken or the need to make adjustments. You will focus the first several years of your quality improvements on the QA Readings.

After successfully addressing the areas measured by the QAP methodology, you will be ready to focus your quality improvement efforts on broader issues or on more general processes. Areas such as improved service to students, strengthened management practices, and improved communication, will not be derived directly from QA Readings. The institution determines the measures of effectiveness for the quality improvements.

The Quality Improvement Task includes the following five activities:

- Activity One: Develop a Schedule of Activities for the Quality Improvement Task (Worksheet QI-1)
    - Plan QI Task;
    - Develop a schedule and determine appropriate timeframes for completing QI activities;
    - Identify staff responsible for each QI activity; and
    - Record actual date each QI activity is completed.
- Activity Two: Identify Significant QA Readings
    - Review Rank Order listing of QA Readings affecting payment amounts;
    - Use results from the Annual Measurement Task to determine the priority for implementing improvement actions based on such factors as potential liability, benefits, resources, and timing;
    - Separate readings with regulatory implications from delivery system readings; and
    - Set priorities to focus time and resources on the most significant QA Readings.

- Activity Three: Identify Probable Causes of QA Readings and Select Quality Improvements Actions
  - Identify quality improvement action(s) from ordered listing of QA Readings on which to focus quality improvements;
  - Develop action plan for each quality improvement action; and
  - Prioritize quality improvements.
- Activity Four: Implement Quality Improvements
  - Gain management support and approval.
- Activity Five: Monitor and Follow-up
  - Report progress of QI activities to ED; and
  - Re-evaluate.

Blank copies of all QI Task worksheets are provided in Appendix E. Descriptions of the five QI activities are provided below.

ACTIVITY ONE: DEVELOP A SCHEDULE OF ACTIVITIES FOR THE QUALITY IMPROVEMENT TASK

Begin the QI Task by reviewing Worksheet QI-1: Schedule of Activities for the Quality Improvement Task. This worksheet lists the various activities, completion dates suggested by ED, the team member(s) responsible for each activity, and the completion date for each activity.

WORKSHEET QI-1
SCHEDULE OF ACTIVITIES FOR THE QUALITY IMPROVEMENT TASK[1]

Quality Improvement Activity	Suggested Date for Successful Implementation	Staff Responsible/ Team Member	Date Completed (Actual)
Select team members to complete QI activities.	Initiate after completion of AM Task and submission of data diskette.		
Complete Worksheet QI-1: Schedule of Activities for the Quality Improvement Task.	Initiate after completion of AM Task and submission of data diskette.		
Complete Worksheet QI-2: Quality Improvement Action Plan.	July 15 - August 15		
Implement Quality Improvements.	August 15 - February 15		
Monitor and Follow-up.	August 15 - February 15		
Submit Mid-Year Report.	February 15		
Submit End-Of-Year Report.	August 15		

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[1] Make a copy of this Worksheet for each team member responsible for completing Quality Improvement activities. Post one copy in the office, and place the original schedule in your master QAP File.

Fill in the dates and staff assignments for each activity. You may revise the schedule to include additional steps or activities if necessary. Share a copy of the completed schedule with the QA team and post a copy in a visible place in the office. Review the schedule on a regular basis to determine whether activities are being completed on time. Update the schedule when there is a change. Keep a copy of Worksheet QI-1 in the QA master file.

It is important to set realistic time schedules for completing QI activities. Keep the ED-recommended schedule in mind and use the team to help develop the calendar. This is critical to the success of your QI activities and to implementing and maintaining a quality improvement program. There will be times when key QI activities overlap or run simultaneously with AM activities. Therefore, it is important that both you and your staff review and familiarize yourselves with Exhibit 1-6: ED-Recommended Schedule of Activities for Each Task in the QA Program Cycle on page 25 and 26 of the Introduction to the *QAP Workbook*.

To help establish the QI Task team, refer to "team building" described in Chapter One or you may decide to use the team already in place from previous QAP tasks. Team members must understand clearly the purpose of their team, their responsibilities, and the expected outcomes. Remember to include representatives from other offices (e.g., bursar, registrar, admissions, student representative, and so on). Conduct regularly scheduled meetings with the QI Task team to discuss why and how problems in the delivery of student aid occur and ways to reduce or eliminate them. It is important to set the right tone for these meetings by making it clear that the purpose is to gather information, discuss problems, and generate new and innovative solutions — not to accuse people of poor performance or place blame. It is important that the team have sufficient resources and management authority and empowerment to implement quality improvements.

ACTIVITY TWO: IDENTIFY SIGNIFICANT QA READINGS

You and your team will need to determine the significance of your QA Readings and decide whether quality improvements are necessary. This activity will assist you in that endeavor. If you have not analyzed your QA Readings, you will not be able to determine the magnitude of the QA Reading or whether the team should invest its time and resources on a particular area or data element. Before selecting the most significant QA Readings for quality improvement action, you and your team should determine whether the QA Reading is "regulatory" or related to the delivery system. A missing Statement of Educational Purpose is an example of "regulatory" QA Reading. You must correct all "regulatory" QA Readings found in your QAP sample as they are found. Remember, although you corrected the regulatory error, it is still necessary to record the case in the QAP Software as if it were not corrected. An example of a delivery system-related QA Reading is the Stafford Loan other aid and resources data item. If you find a "delivery system" reading that may impact the accuracy of student aid awards, do not dismiss it. Use the information below to determine the significance of "delivery system" readings.

First and foremost, you and your team need to determine whether the dollar values associated with the QA Readings are significant based on several factors:

- The size of the Title IV Program (i.e., Pell, Campus-based, Stafford/Direct Loan);
- The size of your financial aid population;
- The total dollars awarded to your financial aid population; and
- The dollar value associated with the QA Reading.

The Summary Report (generated by the QAP Software) provides you with a listing of QA Readings in rank order according to dollar value. In addition, the Summary Report provides you with information about your entire sample, such as total dollars awarded by Title IV program for the QAP sample and for your recipient population, as well as QA Readings for the 16 student-reported and institutional data elements measured for the QA Program, as shown in Exhibit 4-1. You should use the Summary Report as the foundation for identifying significant QA Readings.

There are several statistical techniques you and your team can use to determine whether a QA Reading is significant or simply a random occurrence. Do not be afraid to use statistical techniques. Statistics are not scary, and the use of statistical tools and techniques can validate your entire quality improvement process.

To determine whether a QA Reading is significant, you will need to calculate a point estimate, or an item percentage error. *Please refer to the following example.*

On your institution's Ordered Listing of QA Readings by Dollar Value that is part of the QAP Software Summary Report, the Stafford Overpayment QA Reading is at the top of the listing. The dollar value associated with the Stafford Overpayment QA Reading is $25,971. To determine whether this QA Reading is significant you will calculate a point estimate using the following information:

1. $\dfrac{\text{Stafford Overpayment Dollars in Error}}{\text{Stafford Dollars Sampled}}$

2. The Stafford Overpayment QA Reading was $25,971. The Total Stafford Dollars sampled (from Section 1 on the Summary Report) was $563,507, or:

$$\frac{\$25{,}971}{\$563{,}507}$$

$$= .0460$$

$$= 4.60\%$$

EXHIBIT 4-1
Institutional and Student QA Readings Calculated by QA Software

Student QA Readings

Dependency Status (Indep. → Dep. and Dep. → Indep.)

Adjusted Gross Income (AGI)

U.S. Taxes Paid

Other Untaxed Income

Number in Household

Number in College

Title IV Exclusion

The student QA Readings are calculated for the Pell Grant and Stafford/Direct Loan programs.

Institutional QA Readings

Statement of Educational Purpose (SEP)

Selective Service Compliance Statement (SSCS)

Satisfactory Academic Progress (SAP)

Financial Aid Transcript (FAT)

These four QA Readings are aggregated across the three programs.

Cost of Attendance (COA)

Enrollment (Calculated only for Pell Grant and Stafford/Direct Loan programs)

Disbursement

Calculation

Other Aid/Resources (Calculated only for Campus-based and Stafford/Direct Loan programs)

Unless otherwise noted, these five QA Readings are calculated for each program.

3. From the example, you can see that although the Stafford Overpayment QA Reading was the highest dollar value, its significance is not as great when compared to your total dollars awarded, certified, or originated for your QAP sample.

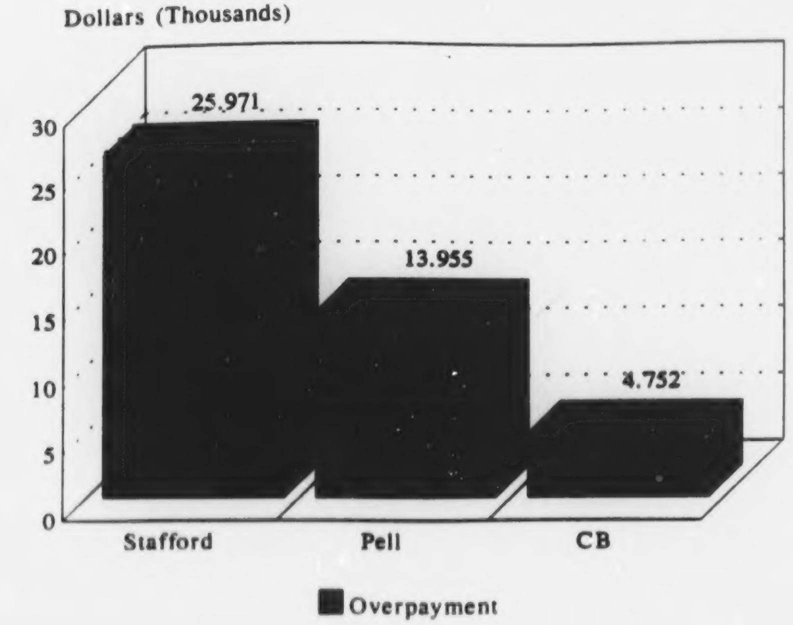
As the example demonstrates, because a QA Reading appears at the top of the Ordered Listing does not necessarily indicate that it is a significant problem at your institution. You and your team will need to look at both the dollar values and percentages in error to determine whether a QA Reading is significant and requires quality improvement action.

As mentioned in Chapter 3, another statistical tool that you can use is called Pareto Analysis. Pareto Analysis is a technique used for ranking the magnitude of various causes affecting an outcome. The Ordered Listing of QA Readings by Dollar Value is an example of Pareto Analysis. You also can use Pareto Analysis to illustrate not only the dollar values associated with a particular QA Reading, but also the percentages of dollars as well. As Exhibit 4-2 demonstrates, the Overpayment Dollars differ significantly from the Overpayment Percentages. Although the Stafford Overpayment QA Reading had the highest dollar value, it had a lower percentage of dollars in error.

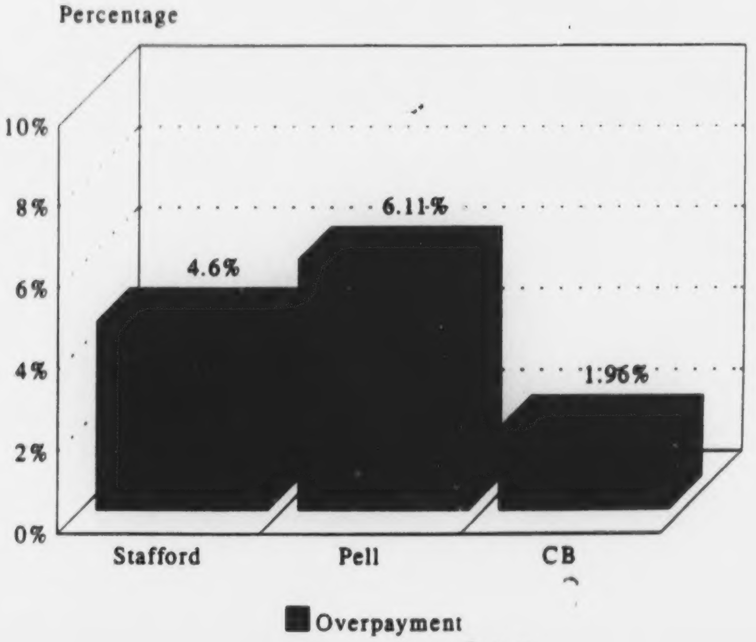
Use of the statistical tools and techniques described is critical to completing this activity. It is important not to judge a QA Reading simply by the dollar value. You and your team should conduct data analyses to ensure that your quality improvements are targeted and based on statistically valid data.

After identifying the most significant QA Readings, you and your team may decide to use the technique of brainstorming to identify and select a problem or QA Reading to solve. Brainstorming is useful for generating ideas among the team. Although you have

EXHIBIT 4-2
OVERPAYMENT DOLLARS IN ERROR PARETO BAR CHART



OVERPAYMENT PERCENTAGE IN ERROR PARETO BAR CHART



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identified your most significant QA Readings, you will need to identify the cause(s) as well as the solution(s) to address significant QA Readings.

Exhibit 4-3 summarizes the brainstorming process, ground rules, and reasons for its effectiveness. When the process of brainstorming is followed properly, the team has a better chance of identifying appropriate causes for a QA Reading and for developing meaningful quality improvements to address them.

ACTIVITY THREE: IDENTIFY PROBABLE CAUSES OF QA READINGS AND SELECT QUALITY IMPROVEMENT ACTIONS

The QAP Software calculates the QA Readings. The quality improvement team will use brainstorming or some other problem-solving technique to determine the most likely causes for the QA Readings. The team should look at the QA Readings carefully to see whether they follow a specific pattern and determine why the QA Readings occurred. This may require reviewing individual cases. Through your review of individual cases, you may be able to determine whether there are common elements in the cases that are causing the problem. You may use the Custom Report feature of the QAP Software to generate reports that include groups of cases that are identified by similar variables. From the custom report you can analyze the cases and look for patterns in the data reported in each case, and determine whether there are similar causes affecting the outcome of each case. Once the team identifies the most likely cause(s) of a QA Reading, it can begin to develop and implement possible solutions.

EXHIBIT 4-3
BRAINSTORMING TECHNIQUE

Brainstorming Process

- Team meets to share ideas.
- Team selects a leader who will also record ideas generated during the meeting.
- Leader notes the purpose of the meeting at the top of the chart.
- Aside from leader, each member takes a turn to contribute ideas.
- Leader records all ideas on the chart using different colored markers to distinguish one idea from another.
- The leader and all team members should enforce the brainstorming ground rules.
- When the team has finished suggesting ideas, the leader reviews the ideas for clarity.
- If possible, consolidate ideas.

Ground Rules for Brainstorming

- Leader should not express an opinion (negatively or positively) regarding the ideas of others.
- Leader keeps team from jumping to conclusions, criticizing or evaluating ideas, and keeps the team's ideas on track.
- Avoid all criticism and evaluation of ideas.
- Be creative.
- Solicit quantity.
- Encourage building on other's ideas.
- Stimulate participation.
- Record all ideas.

Why Is Brainstorming Effective?

- Increases involvement and participation.
- Produces many ideas in short amount of time.
- Reduces pressure on team members to give "right" answer.
- Frees team from inhibition/allows them to have fun/is interesting.
- Reduces possibilities of negative thinking.

While discussing QA Readings, the team will most likely uncover other problems that may not have been obvious if these important discussions had not taken place. For example, the QA team may find that institutional policies or office procedures are not written clearly and staff do not understand what the policies mean. Students may not understand financial aid offices procedures and what is required or expected of them. Perhaps the responsibility for particular processing function has not been assigned, or the computer system is not programmed to check certain data or calculations. Again, this problem, though simple to correct, would go undetected unless discussed in context. Generating such discussions will increase the team's ability to identify a wide range of possible causes of QA Readings and develop more effective quality improvement actions.

Here are some tips to keep in mind:

- Select an improvement action that addresses the cause(s) of each QA Reading identified;
- Select an improvement action that is feasible for the institution in terms of cost for implementation vs. benefits from results; and
- Approach implementation strategically. Start with improvement actions that are easy, require a low level of resources, and will have a significant payoff. Early success builds support from staff and management for your long-term quality improvement program.

Once you have identified the cause(s) and possible solution(s) for the most significant QA Readings, you will take the following steps to complete Worksheet QI-2: Quality Improvement Action Plan:

1. **Describe** the quality improvement item at the top of Worksheet QI-2 under "Improvement Item."

WORKSHEET QI-2
QUALITY IMPROVEMENT ACTION PLAN
High or Low Priority: __________

1. Improvement Item: ____________________

2. Improvement Action: ____________________

3. Lead Person, Title, and Office: ____________________

4. Other Campus Office(s) — Representative(s) Involved:

1) ____________ 5) ____________
2) ____________ 6) ____________
3) ____________ 7) ____________
4) ____________ 8) ____________

	Projected Dates	Actual Dates
5. Implementation Start Date:		
Implementation End Date:		

6. Long- or Near-Term Quality Improvement Action? ____________________

EXAMPLE

WORKSHEET QI-2
QUALITY IMPROVEMENT ACTION PLAN
High or Low Priority: High

1. Improvement Item: *Number in College*

2. Improvement Action: *Developed a form to verify sibling/parent enrollment at other institutions.*

3. Lead Person, Title, and Office: *Jane Doe, Assistant Director, FAO*

4. Other Campus Office(s) — Representative(s) Involved:

1) *Admissions*
2) *Registrar*
3)
4)
5)
6)
7)
8)

	Projected Dates	Actual Dates
5. Implementation Start Date:	*October 16, 1995*	*October 22, 1995*
Implementation End Date:	*October 30, 1995*	*November 3, 1995*

6. Long- or Near-Term Quality Improvement Action? *Near-term action*

2. **Identify** the improvement action necessary to address the improvement item, and list the improvement action on Worksheet QI-2 under "Improvement Action."

3. **Decide** who would be the best individual from your QI Task team to assure that each improvement action is properly monitored, and record his or her name, title, and office under "Lead Person, Title, and Office."

4. **Identify** representatives from other institutional offices affected by implementation of an improvement action, and request that they serve on QI Task teams for implementing all improvements involving their offices. On Worksheet QI-2, record the offices involved and their representatives who will work on your team.

5. **Decide** when implementation of the improvement action will begin and end. Record the dates in the rows labeled "Implementation Start Date" and "Implementation End Date" under the "Actual Dates" column.

6. **Determine** whether your improvement is near- or long-term, as follows:

   - *Near-term improvement actions* can be implemented within one year; and
   - *Long-term improvement actions* require more than one year to implement.

The last step is to prioritize the improvement actions your institution has identified. You should focus first on any areas clearly not in compliance with federal statutes or regulations. After dealing with compliance-related improvement actions, you may want to focus next on an improvement action that will be relatively simple to implement (e.g., near-term or minimal resources), but will yield positive results in a short period of time. A quick success based on a relatively simple improvement action will build confidence in and support for your QA program, and will lay the foundation for tackling your tougher quality problems.

Record the high or low priority level for each improvement action at the top of Worksheet QI-2. In the example worksheet provided, the improvement action was a high priority. This indicates that the institution will implement this improvement action before it implements low priority actions. Remember to update the Task Schedule after completing this activity. Report the progress of this activity in the Mid-Year Report.

ACTIVITY FOUR: IMPLEMENTING QUALITY IMPROVEMENT ACTIONS

This activity helps the team to carefully review each quality improvement action to ensure proper controls are in place to track its effectiveness. The team must decide the most practical way to track the progress of each improvement action. Before you begin designing your tracking system, you should review Worksheet QI-2 and fill in information that remains incomplete. Then:

- Decide the order in which you wish to implement each quality improvement;
- Enter the projected date for implementing each quality improvement; and
- Identify any potential problem areas, as well as factors that may be critical to the successful implementation of each quality improvement action.

Once you have developed your tracking system, proceed with implementation to begin controlling significant QA Readings. It is suggested that you begin implementation as early in the award year as possible, but no later than October 1. Remember to update Worksheet QI-2 by entering the "actual date" as quality improvement actions are completed. By doing so, you are tracking the progress of implementing quality improvement actions.

The effectiveness of quality improvement actions can be determined by a change (either an increase or decrease) in QA Readings in subsequent years. Keep in mind that it may take more than one year before results can be realized and that other factors must be taken into consideration. For example, the level of difficulty, availability of resources, whether the quality improvement can be implemented in one year or longer, and so on, must all be considered. Therefore, do not be discouraged when positive results are not achieved in the first year of implementation.

If you discover that quality improvement actions are not effective and problems continue, you have the flexibility to reevaluate the actions taken and to determine what adjustments to make. QAP participants are encouraged to share information and experiences or call one another to ask questions about their procedures for handling various situations. Institutions are also encouraged to visit other QAP institutions' financial aid offices concerning solutions that worked for other institutions.

Some quality improvement actions may require approval from a higher level of authority. Therefore, it is important to share your findings and proposed improvements with senior managers.

Gaining Management Support and Approval

Presenting your plans for quality improvement to senior management is important, and often necessary, to gain approval and support for your efforts. Use this opportunity to share your ideas for addressing problems you have identified and for informing others of your accomplishments.

Why is it important to gain the support of senior managers? There are several reasons for doing so. First, you may not be in the position or have the authority to make decisions on your own, so you may have to depend upon others to make those decisions for you. Therefore, it is also important that individuals involved in the decision-making process be well informed about your needs.

Second, if the cost of quality improvement exceeds your budget, then you will need outside support to supplement your budget.

Third, there may be other institutional offices you want involved in your plans for implementing quality improvement actions. Therefore, it is important to keep everyone informed of what you are doing. Keeping managers involved through communication will strengthen their commitment to the objectives of your QA Program.

You and the QA team can decide the best way to keep senior management informed. Exhibit 4-4 provides some helpful tips on making effective management presentations. Management presentations strengthen communication and build support. The team also may choose to prepare a written report as another form of communication.

When to schedule quality improvements also is important, as how and when to schedule them may affect other factors — such as whether the quality improvement can be implemented at the beginning of the processing cycle or during an interim phase. Availability of resources (e.g., staff, dollars, equipment/ADP, and so on) also will guide the team's planning decisions, such as whether to pursue quality improvement actions sequentially or concurrently.

Include a progress report on this activity as part of you End-of-Year Report.

Note: Continuing institutions are encouraged to implement quality improvement actions as early in the award year as possible, however, you should begin no later than October 1.

The team may choose to prepare a brief report regarding other areas of weaknesses identified and addressed through the QA process. Describe these areas and include plans for implementing improvement

EXHIBIT 4-4
TIPS FOR EFFECTIVE MANAGEMENT PRESENTATIONS

Why Do You Need To Make A Presentation?

You need:

- Senior management approval
- Funding
- Additional resources
- Involvement from other campus offices

How Do You Obtain Approval?

- Prepare a written request
- Conduct an in-person request/presentation

How Do You Prepare For The Presentation?

- Identify the audience
- Identify other key people
- Identify key points, facts
- Prepare an outline
- Make assignments
- Hold practice session
- Check over the details
- Do it!

What Should You Include In The Presentation Outline?

- Introduction/road map
- Statement of problem
- Impact of problem
- Solution/quality improvement
- Benefits
- Action requested
- Plan for reporting results

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actions; and describe the strategies and schedule for the End-of-Year Report.

ACTIVITY FIVE: MONITOR AND FOLLOW-UP

To ensure successful implementation of quality improvement actions, the team needs to follow up on all quality improvement actions taken. Proper monitoring of activities must be in place to ensure that the planned actions and steps have been completed and that the problems identified have been solved. Please refer to the Master Calendar in the *Workbook* Introduction for the tasks that you are required to complete in subsequent years of participation. Remember that QAP institutions are expected to report their progress to ED, as part of the QA Program cycle. Chapter Five: Reporting Requirements will explain your responsibilities in meeting these requirements. Complete the Quality Improvement Task Assessment form and place a copy in the QA master File.

The QI Task has brought you full circle in the QA Program cycle. You have conducted an assessment of your aid office policies and procedures, implemented management enhancements, measured the accuracy of student awards, and implemented quality improvements. Each year the QA Program cycle helps you determine the effectiveness of the quality improvements you implemented during the previous year.

Through the QAP process you have gained new insight into the workings of the financial aid office, other offices within the institution, and your student population. This insight has provided you with the ability to determine how to deliver Title IV aid to your students efficiently and accurately and to ensure accountability of federal dollars. In addition, through the QAP cycle you and your QA team have become more proactive by identifying problems and proposing solutions. You have made sound decisions based on data collected from your student population. The quality improvement actions that you have implemented will have a lasting impact on the effective delivery of student financial aid at your institution.

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❖ TASK ASSESSMENT

ASSESSMENT OF QUALITY IMPROVEMENT TASK

1. Approximately how many hours were required for each of the following levels of staff to complete the Quality Improvement (QI) Task and worksheets? If no hours were required of a certain level of staff, please enter zero (0).

Staff Level	Number of Hours
Professional — Paraprofessional (e.g., QA Coordinator or Counselor)	
Clerical — Data Entry (e.g., secretary or word processor)	
Student Workers	

2. What resources other than staff did you require to complete the QI Task and worksheets? You should include all equipment, materials, supplies, and so on, and list what the costs were. Indicate whether this was a one-time or an annual cost.

ASSESSMENT OF QUALITY IMPROVEMENT TASK (CONTINUED)

Additional Resources	Dollar Value ($)	One-Time or Annual Cost

3. What benefits did your institution gain from completing this particular task and its worksheets?

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❖ CHAPTER FIVE

REPORTING SYSTEM

As you complete the cycle of tasks described in the previous chapters, you will report biannually to ED and the Performance and Accountability Improvement Staff (PAIS) on the progress you and your QA Team have made, including successes you have had, and any problems that might have occurred while completing the tasks. These reports are part of the PAIS's monitoring activities and will help PAIS to determine: (1) each participating institutions' progress in administering its Quality Assurance Program; (2) whether institutions are following QAP requirements; and (3) whether the institutions need technical assistance or additional follow-up, (e.g., via telephone or on-site review).

PAIS will review the reports for information on your institution's progress in areas such as completing QAP tasks, implementing management and award accuracy enhancements and quality improvements in financial aid operations, and outlining your plan for accomplishing program goals. The Reporting System, in turn, will provide you with an opportunity to describe the results of your quality improvement program and its impact on managing your delivery of student aid and service to your customers. Information provided via the Reporting System also provides PAIS with the assurance that there is accountability in the QAP.

The reports will cover two reporting periods. The first, Mid-Year Report, will cover progress on tasks and activities from August through January, with the report due on **February 15th**. The second, End-of-Year Report, will cover progress on tasks and activities from February through July, with the report due on **August 15th**.

PAIS will review all Mid-Year and End-of-Year reports, and prepare their own management summary reports. PAIS also will use the information from these two reports to recognize successful institutions during the annual Recognition and Awards Program (RAP). For more information on RAP, please refer to Appendix D.

GENERAL REPORTING GUIDELINES

MID-YEAR REPORT

All institutions must complete and submit to PAIS the Mid-Year Report (see page 5 for New Institutions and page 7 for Continuing Institutions) for the reporting period of August through January. Institutions are required to provide a narrative statement on the status of activities accomplished during this reporting period; and you are encouraged to describe and highlight creative and innovative steps you have taken or are planning to take to accomplish the activities. In addition, describe how you formed or supported the QA team(s) in your office, and report on the teams' progress and accomplishments. Be sure to explain any delays in initiating or completing the activities included in this report.

END-OF-YEAR-REPORT

All institutions also must complete and submit to PAIS the End-of-Year Report (see page 6 for New Institutions and page 8 for Continuing Institutions) for the reporting period of February through July. Institutions are required to provide a narrative statement on the status of activities accomplished during this reporting period. For new institutions, this report provides you with an opportunity to describe your accomplishments and challenges to institutional management and the Department of Education. Institutions also can take this opportunity to detail their plans for the coming year. At a minimum, the report should describe the changes needed to further improve your management operations and plans for continuous improvements for the coming year.

Continuing institutions should describe successful quality improvements, as well as those that you were unable to implement, and give the reason(s) why. The report should include a description of the changes needed to further improve your management operations and plans for continuous improvements for the coming year. You are encouraged to expand this report to describe how you used your QA teams to resolve problems and implement solutions, and so on. The report should include year-to-year comparative data analyses, results of quality improvements, and progress with team building and management enhancements.

For your convenience, pre-printed formats for each reporting period are provided. However, you may redesign and automate these forms as long as the required information is included on the form. Each report must be signed by the Financial Aid Director or a senior level manager familiar with the QA Program. Don't forget to make a copy of each report, along with completed applicable worksheets, to put in your QA file.

Institutions must make every effort to complete these reports within the required timeframes. If there are difficulties in meeting the reporting due dates, contact your Program Contact Person to discuss a revised schedule. Even if you are unable to complete QA Program tasks within the required time period, you should still submit the report for that time period, along with a detailed explanation for the delays.

The Mid-Year and End-of-Year Reports should be in narrative, typewritten form and as thorough as possible, with the applicable worksheets attached. Submit one completed copy of each report to your Program Contact Person at the following address:

(Program Contact Person)
U.S. Department of Education, PAIS
Quality Assurance Program
600 Independence Ave., S.W.
ROB-3, Room 3931
Washington, DC 20202-5232

You also may fax your report to your Program Contact Person at (202) 708-9485. Please do not incur the added expense of sending reports via Federal Express. If the reports are going to be a few days late, call your Program Contact Person and inform him or her of the delay. Please call your Program Contact Person whenever you need assistance, or you can send an E-mail message to your contact person at the following addresses:

Person	**Phone**	**Email**
Barbara Mroz	708-8439	Barbara_Mroz @ ED.GOV
Anne Tuccillo	708-9452	Anne_Tuccillo @ ED.GOV
Sharyn Plunkett	708-8443	Sharyn_Plunkett @ ED.GOV
Barbara Sanders	708-9476	Barbara_Sanders @ ED.GOV
John Hill	708-8497	John_Hill @ ED.GOV
Jacqulyn Bannister	708-7438	Jackie_Bannister @ ED.GOV

QUALITY ASSURANCE PROGRAM
REPORTING SYSTEM

MID-YEAR REPORT — NEW INSTITUTIONS

INSTITUTION: ______________________________

REPORT COMPLETED BY: ______________________________
Name/Title

REPORT CERTIFIED BY: ______________________________
Signature/Title

REPORT PERIOD: **AUGUST - JANUARY**

REPORT DUE DATE: **FEBRUARY 15, 19___**

Please describe your institution's progress in carrying out Management Assessment Activities:	**Please describe your institution's progress in carrying out Management Enhancement Activities:**
☐ MA activities have been completed. Date Completed: ____________	☐ ME activities have been completed. Date Completed: ____________
☐ MA activities have been initiated and are progressing as scheduled. Date Initiated: ____________	☐ ME activities have been initiated and are progressing as scheduled. Date Initiated: ____________
☐ MA activities have not been initiated, but plan to complete on time.	☐ ME activities have not been initiated, but plan to complete on time.
☐ MA activities have been initiated, but problems with completion anticipated. Date Initiated: ____________	☐ ME activities have been initiated, but problems with completion anticipated. Date Initiated: ____________
☐ MA activities have not been initiated and significant problems with completion are expected.	☐ ME activities have not been initiated and significant problems with completion are expected.

☐ Need technical assistance in the following areas:

____
____
____

Prepare a narrative statement describing the progress made on the above tasks and attach to this report. Remember to make a copy for your QA file.

QUALITY ASSURANCE PROGRAM
REPORTING SYSTEM

END-OF-YEAR REPORT — NEW INSTITUTIONS

INSTITUTION: ________________________________

REPORT COMPLETED BY: ________________________________
Name/Title

REPORT CERTIFIED BY: ________________________________
Signature/Title

REPORT PERIOD: **FEBRUARY – JULY**

REPORT DUE DATE: **AUGUST 15, 19____**

Please describe your institution's progress in carrying out Management Assessment Activities:	**Please describe your institution's progress in carrying out Management Enhancement Activities:**
☐ MA activities have been completed. Date Completed: ____________	☐ ME activities have been completed. Date Completed: ____________
☐ MA activities have been initiated and are progressing as scheduled. Date Initiated: ____________	☐ ME activities have been initiated and are progressing as scheduled. Date Initiated: ____________
☐ MA activities have not been initiated, but plan to complete on time.	☐ ME activities have not been initiated, but plan to complete on time.
☐ MA activities have been initiated, but problems with completion anticipated. Date Initiated: ____________	☐ ME activities have been initiated, but problems with completion anticipated. Date Initiated: ____________
☐ MA activities have not been initiated and significant problems with completion are expected.	☐ ME activities have not been initiated and significant problems with completion are expected.

☐ Need technical assistance in the following areas:

____

____

____

Attach a narrative statement summarizing this year's experiences and significant enhancements made during the year as a result of quality assurance activities.

QUALITY ASSURANCE PROGRAM
REPORTING SYSTEM

MID-YEAR REPORT — CONTINUING INSTITUTIONS

INSTITUTION: ____________________

REPORT COMPLETED BY: ____________________
Name/Title

REPORT CERTIFIED BY: ____________________
Signature/Title

REPORT PERIOD: AUGUST – JANUARY

REPORT DUE DATE: FEBRUARY 15, 19____

Please check the box indicating the status of activities, initiated or completed.

TASK/ACTIVITY	INITIATED	COMPLETED
✱ Update MA-1 - Task Calendar	☐	☐
✱ Update MA-2 - Flowchart	☐	☐
✱ Complete MA-3a - Comprehensive Assessment, or	☐	☐
✱ Complete MA-3b - Core Assessment, and	☐	☐
✱ Complete MA-3c - Focus Module	☐	☐
✱ Update ME-1 - Task Calendar	☐	☐
✱ Update ME-2 - Action Plans	☐	☐
✱ Update ME-3 - Summary Plan	☐	☐
✱ Complete AM-1 - Task Calendar	☐	☐
✱ Complete AM-2 - Select a Sample	☐	☐
✱ Complete AM-3 - Documentation Collection	☐	☐
✱ Complete AM-4 - Verify Data and Calculate QA Readings	☐	☐
✱ Complete AM-5 - Analyze Results	☐	☐

Prepare a narrative statement describing the progress made on the above tasks and attach to this report. Remember to make a copy for your QA file.

QUALITY ASSURANCE PROGRAM
REPORTING SYSTEM

END-OF-YEAR REPORT — CONTINUING INSTITUTIONS

INSTITUTION: ____________________

REPORT COMPLETED BY: ____________________
Name/Title

REPORT CERTIFIED BY: ____________________
Signature/Title

REPORT PERIOD: FEBRUARY - JULY

REPORT DUE DATE: AUGUST 15, 19___

Please check the box indicating the status of activities, initiated or completed.

TASK/ACTIVITY	INITIATED	COMPLETED
✱ Complete AM-1 - Task Calendar	☐	☐
✱ Complete AM-2 - Select a Sample	☐	☐
✱ Complete AM-3 - Documentation Collection	☐	☐
✱ Complete AM-4 - Verify Data and Calculate Readings	☐	☐
✱ Date Data Diskette Submitted		___/__/___ Date
✱ Complete AM-5 - Analyze Results	☐	☐
✱ Complete QI-1 - Task Calendar	☐	☐
✱ Complete QI-2 - Identify QA Readings	☐	☐
✱ Complete QI-3 - Identify Causes for QA Readings	☐	☐
✱ Complete QI-4 - Controlling QA Readings	☐	☐
✱ Complete QI-5 - Monitoring and Follow-Up	☐	☐

Attach a narrative statement summarizing this year's experiences and significant enhancements made during the year as a result of quality assurance activities.

Provide a copy of Worksheet AM-2, the Summary Report and your data diskette to the contractor.

APPENDIX A

STUDENT CONSUMER INFORMATION CHECKLIST

		YES	NO
1)	Does the institution publish and make readily available to all current and prospective students a description of the following types of financial aid programs:		
	a) Federal?	☐	☐
	b) State?	☐	☐
	c) Local?	☐	☐
	d) Private?	☐	☐
	e) Institutional?	☐	☐
2)	Do the publications include:		
	a) Need-based programs?	☐	☐
	b) Non-need-based programs?	☐	☐
3)	Does the information provided describe:		
	a) The procedures and forms for applying for assistance?	☐	☐
	b) Student eligibility requirements?	☐	☐
	c) The criteria for selecting recipients?	☐	☐
	d) The criteria for determining the award amount?	☐	☐
4)	Does the institution describe the rights and responsibilities of students receiving financial assistance?	☐	☐

		YES	NO
5)	Does the rights and responsibilities information include:		
a)	Criteria for continued student eligibility under each program?	☐	☐
b)	Standards of SAP for receiving financial payments?	☐	☐
c)	Criteria by which the student who has failed to maintain SAP may re-establish eligibility?	☐	☐
d)	The method by which financial aid payments will be made?	☐	☐
e)	The frequency of financial aid payments?	☐	☐
f)	The terms of any loan received by a student as part of the financial aid package?	☐	☐
g)	A sample repayment schedule?	☐	☐
h)	A discussion of the necessity for repaying loans?	☐	☐
i)	The general terms and conditions applicable to employment provided as part of the student's financial aid package?	☐	☐
6)	Does the information include costs of attendance such as:		
a)	Tuition and fees charged to full-time and part-time students?	☐	☐
b)	Estimates of necessary books and supplies?	☐	☐
c)	Estimates of typical room and board charges?	☐	☐
d)	Transportation costs for commuting students and for students living on or off campus?	☐	☐
e)	Additional cost of a program in which the student is enrolled or expresses an interest?	☐	☐
7)	Does the institution provide information concerning its refund policy for the return of unearned tuition and fees or other refundable portion of costs paid to the institution?	☐	☐
8)	Does the institution provide information on its policies regarding refunds due to the Title IV programs?	☐	☐
a)	Are the refunds credited to the Title IV programs in the following order: FFEL - William D. Ford Federal Direct Student Loan Program - Federal Perkins Loans - Federal Pell - FSEOG - other Title IV student assistance - the student?	☐	☐
9)	Does the institution include information concerning the academic program including:	☐	☐
a)	The current degree programs and other educational and training programs?	☐	☐

	YES	NO
b) The instructional, laboratory, and other physical facilities which relate to the academic program?	☐	☐
c) Faculty and other instructional personnel?	☐	☐
10) Does the information include:		
a) The names of accrediting, approving, or licensing agencies or bodies?	☐	☐
b) The procedures by which those documents may be reviewed?	☐	☐
c) The procedure by which the institution would make available, upon request, a copy of the documents describing its accreditation, approval, or licensing?	☐	☐
d) A description of any special facilities and services available to handicapped students?	☐	☐
e) The titles of persons designated to disseminate consumer information?	☐	☐
f) Information regarding how and where they may be contacted?	☐	☐
11) Does the institution designate an employee to be available on a full-time basis to assist current or prospective students in obtaining the information required by these regulations (waiver available based on size of enrollment)?	☐	☐
12) If the institution has a study abroad program, do they have a statement that the enrollment in the study abroad program is approved for credit by the home institution and may be considered enrollment in the home institution for purposes of a student applying for federal student financial assistance?	☐	☐
13) Does the institution provide information on the required Right-to-Know and Campus Security Act?	☐	☐
14) If the institution advertises job placement rates, does it make available the relevant state licensing requirements of jobs for which the course of study is designed to prepare students, and the most reliable employment and graduation statistics, or any other information necessary to support the truthfulness of the advertisement?	☐	☐

Satisfactory Academic Progress Checklist

		YES	NO
1)	Did the institution establish, publish, and apply reasonable standards for measuring whether a student is maintaining SAP in his/her course of study?	☐	☐
2)	Do the standards conform with the standards of the institution's nationally recognized accrediting agency, (if applicable)?	☐	☐
3)	If the institution's policy conforms with its accrediting agency's standards, does it meet all of the Title IV program requirements?	☐	☐
4)	Are they the same as or stricter for a student who is receiving Title IV assistance, than for a student enrolled in the same program who is not receiving Title IV assistance?	☐	☐
5)	Do the standards include the following elements:		
	a) Grades, work projects completed, or comparable factors that are measurable against a norm?	☐	☐
	b) A maximum time frame in which the student must complete his/her educational objective, degree, or certificate?	☐	☐
	Is the time frame:		
	i) Determined by the institution?	☐	☐
	ii) Based on the student's enrollment status?	☐	☐
	iii) Divided into increments, not to exceed one academic year?	☐	☐
	c) An established schedule of the minimum percentage or amount of work that a student must successfully complete at the end of each increment in order to complete the educational objective, degree, or certificate within the maximum time frame?	☐	☐
	d) A determination at the end of each increment by the institution whether the student has successfully completed the appropriate percentage or amount of work according to the established schedule?	☐	☐
	e) Consistent application of standards to all students within categories of students (e.g., full-time, part-time, undergraduate, and graduate students) and programs established by the institution?	☐	☐

	YES	NO
f) Specific policies defining the effect of course incompletes, withdrawals, repetitions, and noncredit remedial courses on satisfactory progress?	☐	☐
g) Specific procedures under which a student may appeal a determination that the student is not making satisfactory progress?	☐	☐
h) Specific procedures for reinstatement of aid?	☐	☐
6) Does the institution check that the student is making satisfactory academic progress each payment period (even if its increment for measuring quantitative progress is an academic year)?	☐	☐
7) Does the institution determine that the student is making SAP at the end of the second academic year on the basis of:		
a) The student has at least a cumulative GPA of C or its equivalent, or academic standing consistent with its graduation requirements; or	☐	☐
b) The student's failure was caused by:		
i) The death of a relative of the student?	☐	☐
ii) An injury or illness of the student?	☐	☐
iii) Other special circumstances?	☐	☐

WRITTEN VERIFICATION POLICIES AND PROCEDURES CHECKLIST

		YES	NO
1)	Does the institution have written verification policies and procedures?	☐	☐
2)	Do the procedures include:		
	a) What deadlines applicants have to meet for providing information?	☐	☐
	b) What action the institution will take if the applicant does not provide the information before the deadline?	☐	☐
	c) How the institution will notify applicants if the award changes because of verification?	☐	☐
	d) How the institution requires applicants to correct information?	☐	☐
	e) The procedures detailing how the institution will make referrals to the Inspector General's office in cases of suspected fraud or criminal misconduct?	☐	☐
3)	Do the procedures detail a process for furnishing, to each applicant selected for verification:		
	a) A clear explanation of the documentation needed to satisfy the verification requirements?	☐	☐
	b) The applicant's responsibilities with respect to verification including deadlines for completing any required actions?	☐	☐
	c) The consequences of failing to complete verification?	☐	☐

DRUG-FREE SCHOOLS AND CAMPUSES COMPLIANCE CHECKLIST

		YES	NO
1)	Does the institution have a drug abuse prevention program?	☐	☐
2)	Does the institution maintain a copy of its drug abuse prevention program?	☐	☐
3)	Annual distribution, in writing, to each employee and to each student who is taking one or more classes for any type of academic credit, except for continuing education units, is required. Is the following information provided:		
	a) Standards of conduct that prohibit unlawful possession, use, or distribution of illicit drugs and alcohol on its property or as part of its activities?	☐	☐
	b) A description of the applicable legal sanctions under local, state, or federal law for the unlawful possession or distribution of illicit drugs and alcohol?	☐	☐
	c) A description of the health risks associated with the use of illicit drugs and the abuse of alcohol?	☐	☐
	d) A description of any drug or alcohol counseling, treatment, or rehabilitation or re-entry programs that are available?	☐	☐
	e) A clear statement that the institution will impose disciplinary sanctions, and a description of those sanctions?	☐	☐
4)	How is the above information distributed to the students (mailings, orientations, workshops, and so on)? ______________________________ ______________________________		
5)	How is the above information distributed to employees? (mailings, orientations, workshops, and so on)? ______________________________ ______________________________		
6)	Do the means of distribution provide that all employees and students receive the materials?	☐	☐

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		YES	NO
7)	Does the institution conduct biennial reviews of its drug prevention program to determine effectiveness, implement changes, and ensure that disciplinary sanctions are enforced?	☐	☐
8)	How are biennial reviews conducted?		
9)	Has the institution's drug prevention program been selected for review by the Secretary?	☐	☐
10)	If yes, has the institution made available, to the Secretary and the public, a copy of each required item in the drug prevention program, and the results of the biennial review?	☐	☐
11)	Is the institution aware that any information related to its compliance with the drug prevention program must be retained for three years?	☐	☐

CAMPUS SECURITY ACT CHECKLIST

	YES	NO
1) Has the institution compiled an annual campus security report? (Final regulations on campus security were published on April 29, 1994.)	☐	☐
2) Does the report:		
a) Provide information regarding campus security policies and campus crime statistics?	☐	☐
b) Discuss the role and function of campus security personnel?	☐	☐
c) Discuss the institution's procedures for reporting (and responding to reports of) emergencies and crimes?	☐	☐
d) Discuss institutional security policies regarding on- and off-campus facilities?	☐	☐
e) Describe the informational programs available to students and employees about crime prevention, campus security, and alcohol or drug abuse (as required by law)?	☐	☐
f) Include data on the occurrences of murder, sex offenses, robbery, aggravated assault, burglary, and motor vehicle theft on campus, as reported to campus security personnel or local law enforcement authorities, during the previous three years (data collection to begin on August 1, 1991)?	☐	☐
g) Include statistics for on-campus arrests for liquor law violations, drug abuse violations, and weapons possessions (data collection to begin on August 1, 1991)?	☐	☐
h) Outline the institution's policy regarding alcohol- and drug-related violations (including use, sale, possession, and underage drinking)?	☐	☐
i) Include an explanation of the institution's sexual assault prevention program and procedures?	☐	☐
3) Is the report:		
a) Distributed annually to all students and employees (upon request, to prospective students and employees)?	☐	☐
b) Included in institutional publications and mailings?	☐	☐

ADDITIONAL DISCLOSURE FOR SCHOOLS THAT AWARD ATHLETICALLY-RELATED STUDENT AID

		YES	NO
1)	Does the institution provide information about the number of students who receive athletic aid as compared to the total number of students at the institution?	☐	☐
2)	Does the institution provide a completion rate for student athletes compared to the rate for the student body at large?	☐	☐
3)	Has the institution provided this information (effective 7/1/93) to the Secretary in an annual report and to each potential student athlete, his/her parents, guidance counselor, and high school coach whenever athletic aid is offered? (The data available on 7/1/93 will be based on the period from 7/1/91 through 6/30/92. Annually thereafter, the institution will update and report the data on 7/1, for the one-year period ending 6/30 of the preceding year.)	☐	☐
4)	Does the institution report the average completion rates for the four most recent classes of students, for the total student population, and for those students receiving athletic aid?	☐	☐
5)	Does the institution report completion rates by race and sex?	☐	☐
6)	Is data broken into the following sports categories: basketball, football, baseball, cross country — track, and all other sports combined?	☐	☐
7)	Has the institution compiled an annual report, within six months of the end of each fiscal year, that provides the following figures:		
	a) Total institution revenues earned from intercollegiate athletics?	☐	☐
	b) Revenues earned from each of the following sports: football, men's basketball, women basketball, other men's sports combined, and other women's sports combined?	☐	☐
	c) Total revenues and total operating expenses of the institution?	☐	☐
8)	Is the report independently audited every three years?	☐	☐
9)	Is the information contained in both the report and the audit available to the Secretary and the public?	☐	☐

INITIAL AND EXIT COUNSELING CHECKLIST

INITIAL COUNSELING

		YES	NO
1)	Does the institution conduct initial counseling with each FFEL and FDSL borrower in person or by videotape presentation prior to release of the first loan made to the borrower for attendance at that institution?	☐	☐
2)	Does the institution have an individual with expertise in the Title IV programs reasonably available shortly after the counseling to answer the borrower's questions regarding the programs?	☐	☐
3)	Does the entrance interview emphasize to the borrower the seriousness and importance of the borrower's repayment obligation?	☐	☐
4)	Does the entrance interview describe in forceful terms the likely consequences of default, including adverse credit reports and litigation?	☐	☐
5)	Does the entrance interview emphasize that the borrower is obligated to repay the full amount of the loan even if the borrower does not complete the program, is unable to obtain employment upon completion, or is otherwise dissatisfied with or does not receive the educational or other services that the borrower purchased from the institution?	☐	☐
6)	Does the institution have documentation of initial counseling in the borrower's file?	☐	☐

EXIT COUNSELING

1)	Does the institution conduct in-person exit counseling with each FFEL and FDSL borrower shortly before the borrower ceases at least half-time study at the institution?	☐	☐
2)	If the borrower withdraws from the institution without the institution's prior knowledge, or fails to attend an exit counseling session, has the institution mailed written counseling material to the borrower within thirty days?	☐	☐

	YES	NO
3) Does the institution:		
a) Inform the student of the average anticipated monthly repayment for those students based on that average indebtedness?	☐	☐
b) Review for the borrower available repayment options like loan consolidation, refinancing?	☐	☐
c) Suggest to the borrower debt management strategies that would best facilitate repayment?	☐	☐
4) Does the exit interview emphasize to the borrower the seriousness and importance of the borrower's repayment obligation?	☐	☐
5) Does the exit interview describe in forceful terms the likely consequences of default, including adverse credit reports and litigation?	☐	☐
6) Does the exit interview emphasize that the borrower is obligated to repay the full amount of the loan even if the borrower does not complete the program, is unable to obtain employment upon completion, or is otherwise dissatisfied with or does not receive the educational or other services that the borrower purchased from the institution?	☐	☐
7) Does the institution maintain documentation of exit counseling in the borrower's file?	☐	☐

DEFAULT REVIEW CHECKLIST

Default Rate Category

FY ________ Def. Rate: ______________ # of Borrowers: ______________
FY ________ Def. Rate: ______________ # of Borrowers: ______________
FY ________ Def. Rate: ______________ # of Borrowers: ______________

GENERAL

	YES	NO
Institutions With Default Rates Above 20 percent		
1) Did the institution appropriately submit a default management plan to the U.S. Department of Education for approval?	☐	☐
2) Approval Date ______________		
3) Has the institution implemented its approved default management plan?	☐	☐
4) Does the institution perform an annual self-evaluation of its administration of the Title IV programs? [App D, IV]	☐	☐
Institutions With Default Rates Above 40 percent		
1) Has the institution adopted Appendix D as its default management plan?	☐	☐

STUDENT ACCOUNTS

Institutions With Default Rates Above 20 percent		
1) Is the institution delaying the certification of Stafford or SLS loans? Are loans delivered no later than 45 days after the date of enrollment?	☐	☐
Institutions With Default Rates Above 30 percent		
1) Are pro-rata refunds applied to Stafford and SLS recipients as of the date the institution was notified that its default rate exceeded 30 percent or November 21, 1989?	☐	☐

	YES	NO
2) Are pro-rata refunds applied to all Title IV recipients as of July 1, 1990 (only first-time recipients as of July 1992)?	☐	☐
3) Has the institution implemented measures to ensure that loan proceeds are not released until 30 days of the enrollment period have elapsed for all first-time Stafford borrowers?	☐	☐
4) If the institution is required to implement Appendix D, does the institution have a policy that requires its first-time borrowers to come in and endorse the loan check and pick up referred checks in person? [App D, I, 8]	☐	☐

ADMISSIONS

Institutions With Default Rates Above 20 percent

1) Does the institution have procedures in place to ensure that students admitted to a program have a reasonable expectation of success? [App D, I, 1]	☐	☐
2) Does the institution have effective academic counseling programs and support services in place, which assist the academically high-risk student? [App D, I, 2]	☐	☐
3) Does the institution adequately review its attendance or other records to identify students withdrawing without notice to the institution? [App D, I, 4]	☐	☐
4) If the institution has a commissioned enrollment representative, does it also have a compensation structure that is based on retention of students? [App D, I, 5]	☐	☐

FINANCIAL AID

All Institutions

1) Does the institution have an initial loan counseling program?	☐	☐
2) Does the institution have an exit loan counseling program?	☐	☐
3) Is the institution delaying the certification of Stafford or SLS loans? Are loans delivered no later than 45 days after the date of enrollment?	☐	☐

	YES	NO
Institutions With Default Rates Above 20 percent		
1) Does the institution collect additional references and make these references available to the lender upon request? [App D, III, 3]	☐	☐
2) Are students informed prior to signing the loan application that the loan must be repaid regardless of satisfaction or dissatisfaction with the program of study? [App D, III, 4]	☐	☐
Initial and Exit Counseling		
1) Does the institution use audiovisual materials to enhance the effectiveness of its counseling? [App D, III, 6]	☐	☐
Entrance Counseling		
1) Does the institution test potential borrowers on their knowledge of the terms and conditions of their loan? [App D, III, 5, (a), (1)]	☐	☐
2) Does the institution fully explain to each borrower their rights and responsibilities under the FFEL and FDSL loan program? [App D, III, 5, (a), (2)]	☐	☐
3) Does the institution inform the student of the average indebtedness and repayment data for all students and the potential indebtedness and repayment data for each student individually? [App D, III, 5, (a), (3)]	☐	☐
4) Does the institution inform each borrower of the consequences of default? [App D, III, 5, (a), (3), (ii)]	☐	☐
5) Does the institution review repayment options? [App D, III, 5, (a), (4)]	☐	☐
6) Does the institution explain the sale of loans and the use of servicers? [App D, III, 5, (a), (5)]	☐	☐
7) Does the institution provide debt management strategies? [App D, III, 5, (a), (6)]	☐	☐
Exit Counseling		
1) Does the institution test borrowers on their knowledge of the terms and conditions of their loan? [App D, III, 5, (b), (1)]	☐	☐
2) Does the institution provide a sample loan repayment schedule to each borrower? [App D, III, 5, (b), (2)]	☐	☐
3) Does the institution provide the name and address of the lender(s) to the student? [App D, III, 5, (b), (3)]	☐	☐

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		YES	NO
4)	Does the institution provide guidance to the borrower on the preparation of correspondence to the lender and the completion of deferment forms? [App D, III, 5, (b), (4)]	☐	☐
5)	Does the institution update borrower references? [App D, III, 5, (c)]	☐	☐

BORROWER CONTACT

1)	Does the institution have procedures for contacting the borrower during the grace period? [App D, III, 2]	☐	☐
2)	Does the institution contact each borrower for whom the lender requests pre-claims assistance? [App D, III, 1]	☐	☐

PLACEMENT

1)	Has the institution expanded its job placement program? [App D, II, 1]	☐	☐
2)	Does the institution have a liaison for job information and placements with appropriate public and private agencies?	☐	☐
3)	Has the institution contacted its accrediting body to explore possible enhancements to reduce its withdrawal rate? [App D, I, 3]	☐	☐
4)	Has the institution contacted its accrediting body to explore possible enhancements to improve its job placement and licensing? [App D, II, 2]	☐	☐

PERKINS/NDSL DUE DILIGENCE CHECKLIST

CONTACTS WITH THE BORROWER

	YES	NO
1) Does the institution conduct exit interviews?	☐	☐
2) Does the institution make the following grace period contacts?		
a) 9-month initial grace period?	☐	☐
b) 6-month initial grace period & post deferment grace periods?	☐	☐
c) 90 days after the commencement of any grace period?	☐	☐
d) 150 days after the commencement of any grace period?	☐	☐
e) 240 days after the commencement of any grace period?	☐	☐

BILLING PROCEDURES

Type of Billing System Used:

Coupon System ☐ **OR** Billing System ☐

1) Does the institution send a:		
a) Statement of account at least 30 days before first payment due date?	☐	☐
b) Statement of account 15 days before due date of subsequent payments?	☐	☐
2) Overdue Notices:		
a) First overdue notice 15 days after payment due date?	☐	☐
b) Second overdue notice 30 days after first overdue notice?	☐	☐
c) Final Demand Letter 15 days after second overdue notice?	☐	☐

	YES	NO
3) Late Charges:		
a) Late charges assessed for period of enrollment beginning on or after 1/1/86?	☐	☐
b) Borrower notified of the amount of the late charge imposed?	☐	☐
4) Acceleration (If loan is accelerated):		
a) Notice of intent to accelerate provided 30 days before acceleration?	☐	☐
b) Notice of acceleration provided on or after the effective date of acceleration?	☐	☐
5) Telephone Contact (If borrower does not respond to Final Demand Letter):		
a) Telephone contact made with borrower before beginning collection procedures?	☐	☐

ADDRESS SEARCHES

If mail, other than unclaimed mail, sent to borrower is returned undelivered, institution shall take steps to locate the borrower.

1) Are institutional records reviewed in all appropriate offices for an updated address on the borrower?	☐	☐
2) Are telephone directories and information operators used to obtain new address?	☐	☐
3) Is ED's Skiptracing Service used?	☐	☐
4) If all of the above fails:		
a) Are institutional personnel used to attempt to locate the borrower?	☐	☐
b) Or is the account referred to a commercial skiptracing service?	☐	☐
5) If skiptracing is unsuccessful is a reasonable attempt to locate the borrower made at least twice a year?	☐	☐

COLLECTION PROCEDURES

1) Is the defaulted borrower reported to credit bureau, unless prohibited by state law?	☐	☐

	YES	NO
2) Are institutional personnel ☐ OR a collection firm ☐ used to collect?		
3) Is a second collection firm used? (12-month limit on unsuccessful collection attempt by any entity.)	☐	☐
4) Are collection costs assessed against the borrower?	☐	☐
5) Are annual attempts made to collect from the borrower?	☐	☐
6) Is the fund reimbursed for all collection costs initially charged to the fund and subsequently paid by the borrower?	☐	☐

LITIGATION PROCEDURES

Does the institution have procedures in place:

1) If borrower owes total amount of $200 or more (principal, interest, late charge, and collection costs) on a combination of Defense, Direct, or Perkins loans?	☐	☐
2) If borrower can be located and easily served?	☐	☐
3) If borrower has assets or income to satisfy major portion of outstanding debt?	☐	☐
4) If borrower does not have a valid defense that will bar judgment for the institution?	☐	☐
5) If expected litigation costs, including atty's fees, do not exceed amount which can be recovered?	☐	☐

BANKRUPTCY PROCEDURES

Upon receipt of bankruptcy notice:

1) Does collection effort cease?	☐	☐
2) Does the institution file a proof of claim (unless Chapter 7 notice states borrower has no assets)?	☐	☐

	YES	NO
3) Does the institution suspend collection efforts against any endorser?	☐	☐
4) Are proper objections and complaints filed, if appropriate?	☐	☐

RESUMPTION OF COLLECTION

Does the institution resume collection from the borrower if:

1) The borrower's petition for relief in bankruptcy has been dismissed?	☐	☐
2) The court has denied borrower request for undue hardship discharge?	☐	☐
3) The borrower's loan is not excepted from discharge under other applicable provision of the Code?	☐	☐
4) The bankruptcy petition didn't provide for the loan obligation or unsecured claims in general?	☐	☐
5) Resumed collection from the endorser of a loan in which a borrower has filed Chapter 13 and the case has been completed or dismissed, or the stay has been filed?	☐	☐
6) Does the institution deposit any payment received from a borrower into the fund after a loan has been discharged in bankruptcy?	☐	☐

ASSIGNMENT

Has the institution only submitted a defaulted loan for assignment if:

1) The institution is unable to collect despite complying with due diligence requirements?	☐	☐
2) The total amount of the borrower account (principal, interest, late charges, and collection costs) is $200 or more on a combination of Defense, Direct, and Perkins loans AND the loan has been accelerated?	☐	☐

FEDERAL WORK STUDY

YES NO

1) Does the institution have a policy for the maximum number of hours (per week or pay period) that a student can work under FWS? ☐ ☐

If yes, what happens if student exceeds the maximum number of hours?

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2) Is there any policy for how many consecutive hours a student can work without getting a break? (The institution must ensure it meets state or local requirements.) ☐ ☐

3) Is the institution's process for tracking to ensure students do not exceed award amount effective? ☐ ☐

4) What happens if a student does exceed the award amount, especially if no additional need can be determined?

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5) Does the institution pay students at least once a month? ☐ ☐

6) Does the institution include a certification that each student has worked and earned the amount being paid either on the time sheet or some other document signed by the supervisor? ☐ ☐

7) Check the supervisor's signatures on timesheets. Do the timesheets require an original supervisor's signature? ☐ ☐

8) Does the student fill in the hours before the timesheet is signed? ☐ ☐

9) Who submits timesheets for payment?

____

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APPENDIX B

GLOSSARY OF TERMS

Ability to Benefit (ATB)	A postsecondary education eligibility standard for persons who (a) do not have a high school diploma or its recognized equivalent and (b) are beyond the age of compulsory school attendance. To be eligible to receive Federal Title IV financial aid, Public Law 102-26 requires these persons to pass an independently administered test approved by the U.S. Secretary of Education.
Academic Year	A time period of at least 30 instructional weeks in which a full-time student is expected to complete 24 semester hours or 36 quarter hours at an institution using credit hours, or at least 900 clock hours at an institution using clock hours.
Acceptable Documentation	When referring to verification, or when decisions are made about student data, this means *written* documents, such as U.S. income-tax returns and signed statements from the applicant and the applicant's family, that substantiate information reported on a student aid application. The *Verification Guide* lists documents accepted as proof that applicant data is accurate. See also *Documentation*.
Accounting Period	A time period for which financial records are maintained and, at the end of which, financial statements are prepared.
Adjusted Gross Income (AGI)	An income figure taken from a completed federal income-tax form filed in compliance with IRS regulations and guidelines.
Aggregate Data	QA readings compiled from more than one institution.
Allowances	Financial modifications included in need-analysis formulas to provide for a family's non-discretionary expenses or to allow them to shelter assets or income for retirement or emergency purposes. In establishing students' costs of attendance (COA), allowances are reasonable amounts allotted by an institution to reflect most families' financial circumstances.

Applicable Interest Rate	The maximum annual interest rate that a lender may charge on a student loan as statutorily mandated by the Higher Education Act (HEA).
Assets	The property that must be reported on a student financial aid application. These are financial holdings such as cash on hand in checking and savings accounts, trusts, stocks, bonds, other securities, loans, receivables, real estate (but excluding the home), business equipment, and business inventory.
Audit	An independent examination of financial transactions, accounts, reports, and compliance with applicable laws and regulations to determine whether the institution is maintaining effective control over revenues, expenditures, assets, and liabilities; whether the institution is properly accounting for resources, liabilities, and operations; whether financial reports contain accurate, reliable, and useful financial information and are accurately presented; and whether the institution is complying with applicable laws, regulations, and ED directives. A financial audit also studies and evaluates the institution's internal accounting and administrative controls, as well as the policies, procedures, and practices used in administering student financial assistance programs. See also *Independent Audit.*
Audit Guide	The reference manual designed to assist independent auditors performing audits of Title IV student financial aid programs.
Authorization (legislative)	A Congressional legislative act that establishes a program, specifies its general purpose and conduct and, unless open-ended, sets a ceiling for the dollar amount that can be used to finance it. An authorization must be enacted before dollar amounts can be appropriated for spending.
Authorization (spending)	The approved expenditure level for the Pell Grant program for an award year. Throughout each award year, ED notifies each participating institution of its authorized level of expenditures. See also *Statement of Account (SOA).*
Automatic Zero EFC (Expected Family Contribution)	As a result of the Higher Education Amendments of 1992, certain students are automatically eligible for a zero EFC (Expected Family Contribution). A dependent student qualifies if the student's parents filed, or are eligible to file, an IRS Form 1040A or 1040EZ or are not required to file and the sum of both parent's adjusted gross incomes or earned incomes is $12,000 or less. An independent student with dependents other than a spouse qualifies if the student (and spouse, if applicable) filed or is eligible to file an IRS Form 1040A or 1040EZ or the student's (and spouse's, if applicable) is not required to file and the sum of the student (and spouse, if applicable) adjusted gross income(s) or earned income(s) is $12,000 or less. See also *Expected Family Contribution (EFC).*

Award	A specific amount of financial assistance to pay for educational costs offered to a student through financial aid programs. Also, the approval of financial assistance to students, as in one function of an institution is to award Campus-based financial aid to students who meet all the eligibility criteria.
Award Adjustment or Revision	An action by a financial aid office resulting in an increase, decrease, program-source substitution, or cancellation of a student's financial aid award. This may be necessitated by factors such as a change in the student's enrollment status or a change in the financial circumstances of the family or student.
Award Letter	A letter that notifies student financial aid applicants that they have qualified for financial aid and informs them about the assistance being offered. An award letter usually gives information on the types and amounts of aid offered, as well as specific loan program information, student responsibilities, and the conditions that govern the award(s). Generally, an award letter gives students the opportunity to accept or decline the offered aid.
Award Packaging	See *Packaging*.
Award Year	The time period from July 1 of one year through June 30 of the following year for which financial aid awards are made.
Base Year (for financial aid awards)	The 12-month period ending on December 31 of the preceding award year. For example, calendar year 1994 is the base year for the 1995-96 award year.
Best (or Documented) Data	The information received when the sampled students are verified; it is either the most up-to-date information or the information for which there is verification; type of data can be used to explain type of variance.
Bias	The degree to which subgroups of the designated target population participate differentially.
Board (as in "room and board")	The cost of a food allowance or meal plan. See also *Room*.

Branch Campus	A location of a school that is geographically apart and independent of the school's main campus. To be independent, a location must be permanent in nature; offer courses in educational programs that lead to a degree, certificate, or other recognized educational credential; have its own faculty and administration; and have its own budget and hiring authority. Additionally, for accrediting purposes, the definition includes a location that offers at least 50% of an educational program. A branch campus must be individually certified to be eligible to participate in Title IV programs.
Business Assets	Property used to operate a trade or business, including real estate, inventories, buildings, machinery and other equipment, patents, franchise rights, and copyrights. These are considered in determining a student's Expected Family Contribution (EFC) to school costs. See also *Expected Family Contribution (EFC).*
Business Office	The school office responsible for an institution's financial accounting, including Title IV aid program activity. The office disburses financial aid award payments to students and student accounts and processes loan checks. At various schools, it is sometimes referred to as the fiscal office, finance office, bursar's office, comptroller's office, or student accounts office. See also *Separation of Functions.*
Campus-based Programs	The term applied to three Federal Title IV student aid programs administered on campus by eligible postsecondary education institutions: • the Federal Perkins Loan, • Federal Work-Study (FWS), and • the Federal Supplemental Educational Opportunity Grant (FSEOG) Program. See also individual program names.
Cancellation (of a loan)	The result that occurs when a borrower meets specific requirements that permit nullifying the borrower's obligation to repay a designated portion of principal and interest on a student loan.
Capitalizing Interest	A process in which a lender adds unpaid interest to the loan principal. Capitalizing is a way to postpone interest payment; it increases the amount of the principal and, consequently, the total amount that must be repaid.
Carry Back/Carry Forward	A special provision of the Federal Work-Study (FWS) Program that allows an institution to transfer up to 10% of its annual FWS allocation back to the previous award year or forward to the next award year. In addition, as of October 1, 1993, a school may use its next year's allocation to make FWS payments to students for wages earned after the end of the *academic* year but before the beginning of the next *award* year. See also *Federal Work-Study (FWS).*

Cash Advance	A transfer of funds from a federal agency (generally either the U.S. Treasury or Federal Reserve Bank) to a school.
Central Processing System (CPS)	See *Federal Central Processing System (CPS).*
Certificate of Citizenship	A document for U.S. citizens born outside the U.S. that certifies they are U.S. citizens.
Certificate of Naturalization	An Immigration and Naturalization Service (INS) document given to individuals who were not born in the U.S. when they become naturalized U.S. citizens.
Clock Hour	The equivalent of either a 50- to 60-minute class, lecture, or recitation in a 60-minute period; or a 50- to 60-minute faculty-supervised laboratory, shop training, or internship in a 60-minute period; or 60 minutes of preparation in a program of study by correspondence. Compare *Credit Hour.*
Clock-Hour Schools	Institutions that measure academic programs in clock hours. See *Academic Year* and *Clock Hour.* Compare *Credit-Hour Schools.*
Code of Federal Regulations (CFR)	The compilation of all federal laws, regulations, and procedural rules. Regulations implementing Title IV financial aid programs appear as 34 CFR.
Community Service Learning (CSL)	A part of federal Work-Study (FWS), student-held Community Service Learning (CSL) jobs aim to develop, improve, and expand community services for low-income individuals and families to improve the quality of their lives. See *Federal Work-Study.*
Commuting Student	A student not living in housing provided by the postsecondary institution the student is attending.
Conflicting Information	Information, held by any office in a school, that conflicts with the information on a student's application for federal student aid. Schools must have an adequate system for finding and resolving any conflicting information prior to disbursing federal aid to a student. Although this requirement is separate from verification, any such conflicting information might be an indication of additional problems and a school may, on the basis, choose to verify such a student's information.

Consolidation Loan	A loan originated by the Student Loan Marketing Association (Sallie Mae) or other eligible lenders. The loan combines into one loan multiple loans made under Title IV programs and the Health Professions Student Loan (HPSL) Program. Delinquent or defaulted borrowers may be allowed to reenter repayment through a consolidation loan. Federal Direct Consolidation Loans were created as part of the Student Loan Reform Act (SRLA) of 1993; they are arranged through ED's Direct Loan Servicer.
Continuous Quality Improvements	Process of continually improving the data used in the Title IV delivery process, including the accuracy of awards.
Contribution from Earnings	A percentage of a dependent student's base-year earnings that the student is expected to contribute to education costs. See also *Base Year*.
Corrective Action Plan	A written plan an institution submits to ED, as required by an ED official, a hearing official, or the U.S. Secretary of Education. In this plan, the institution explains what reasonable and appropriate steps it will take to remedy any violation(s) of applicable laws, regulations, special arrangements, agreements, or limitations on present or prior financial aid audit or program review findings.
Correspondence Course or Program	A "home study" course provided by an institution to students who are not physically attending classes. If a program is part correspondence and part residential, it is considered a correspondence course. Some correspondence programs require a period of residential training. In some instances a telecommunication course is considered a correspondence course. See also *Telecommunication Course*.
Cost of Attendance (COA)	A school determines students' cost of attendance (COA) in accordance with the Federal Needs Analysis Methodology. The COA is an estimated student budget that includes tuition and fees and allowances for room and board; books, supplies, transportation, and miscellaneous personal expenses; dependent care; disability-related expenses; study-abroad expenses; expenses related to employment in cooperative education programs; and loan fees. The term "cost of education" is often used interchangeably with cost of attendance. See also *Source Document*.
Credit-Hour Schools	Schools with academic programs that measure progress by completed courses assigned specific numbers of credit hours. See also *Academic Year* and *Credit Hour*. Compare *Clock-Hour Schools*.
Data Quality	Minimal regulatory errors or variances resulting from a complex delivery system that are determined in the Program Assessment (Step 3) measurements.

Data (or Error) Variance	See also *Variance.*
Debt Management Counseling	Counseling for students on the subject of assuming debt and handling accumulated indebtedness. It projects expected monthly loan payments and details the length of the student-loan repayment period.
Default	For Perkins Loans: The failure of a borrower to make a loan installment payment when due or to meet other terms of the signed promissory note or written repayment agreement. For FFEL and Direct Loans: Failure to repay (a) for 180 days for a loan repayable in monthly installments; or (b) for 240 days for a loan repayable in less frequent installments. There can be serious legal consequences for student-loan defaulters.
Deferment (of loan)	A period during which repaying loan principal is suspended as a result of the borrower meeting one or more of a number of deferment requirements established by law. Interest expenses continue to accumulate during deferment.
Delivery System (Title IV)	The financial aid process that begins with a student's submission of an application for Title IV student financial aid and ends with the student's receipt of funds.
Departmental Scholarship	An award of gift assistance specifically designated for a recipient in a particular department within the school, college, or university. It may be a need-based award, but it does not have to be.
Dependent Student	For the purposes of Federal Title IV financial aid, a student who does not meet any of the criteria for an independent student must be classified as a dependent student. Compare *Independent Student.*
Dependents	Generally, spouse, children, and/or other household members for whom the parent (or aid applicant) provides more than one-half of the financial support.
Differential Treatment	The manner in which QA student files are handled so as not to make a distinction from other student files.
Direct Loan	See *William D. Ford Federal Direct Student Loan Program.*
Disbursement	The process by which financial aid funds are distributed to students for use in meeting educational and related living expenses.

Disclosure Statement	A statement sent to the borrower by the lender before or at the time it disburses a loan, as well as at, or prior to, the beginning of the repayment period. The disclosures provide borrowers with thorough and adequate information about the terms of their loans and the consequences of default. A disclosure statement includes information such as the amount of the loan, the interest rate, fee charges, length of the grace period (if any), the maximum length of the repayment period and the minimum annual repayment amount, deferment conditions, and the definition of loan default.
Discretionary Items	Applicant data items used to determine a student's eligibility for federal financial aid that regulations do not require be verified. Such as untaxed income benefits, total income, or assets. A financial aid administrator has the option to verify, on a student-by-student basis, any or all of the items. See also *Verification.*
Distribution Formulas	Formulas that regulations specify be used to calculate the amounts of refunds or overpayments (repayments) that must be returned to Title IV programs. See also *Refund Allocation Policy* and *Repayment Allocation Policy.*
Documentation	Written statements explaining the logic and/or the steps to be followed to ensure a specific action be taken given a particular set of circumstances. Also documents presented as evidence in support of a statement or transaction. See also *Acceptable Documentation.*
Documented Data	See *Best Data.*
Drop-Out Date	A student's last recorded class-attendance date that can be documented by the school; this is not necessarily the same as the withdrawal date. If a student unofficially withdraws, the drop-out date determined by class attendance must be used in calculating refund and repayment amounts. Compare *Withdrawal Date.*
Electronic Data Exchange (EDE)	An ED software system that enables institutions to transmit and receive application data, history corrections, Pell Grant Payment Vouchers, and to provide packaging electronically via a telecommunications network. See also *Payment Voucher* and *Processed Payment Voucher.*
Electronic Student Aid Report (ESAR)	The Electronic Student Aid Report (ESAR) is generated by ED's Central Processing System (CPS) and is available to schools through the Electronic Data Exchange (EDE). The ESAR (or Electronic SAR) includes full applicant data, information on reject reasons, comments, and assumptions.

Eligible Institution	An educational institution that meets all the criteria for participating in Federal Title IV student aid programs, has received an Eligibility Letter, and has a countersigned copy of a Program Participation Agreement. According to federal financial aid General Provisions regulations, the following may be eligible institutions if they meet all applicable criteria: public or private nonprofit institutions of higher education; proprietary institutions; and postsecondary vocational institutions.
Eligible Noncitizen	A student aid applicant who is not a U.S. citizen, but is eligible to receive Title IV assistance. Conditions that allow noncitizens to be considered for Title IV funds are listed in the *Federal Student Financial Aid Handbook,* Chapter 2.
Eligible Program	An educational program that meets the regulatory requirements for participating in Title IV programs.
Eligible Student	This definition is discussed in the *Federal Student Financial Aid Handbook* in Chapter 2.
Employment Expense	An allowance in determining the Expected Family Contribution (EFC). The allowance is for additional expenses relating to employment when both parents are employed or when one parent who qualifies as a surviving spouse or as head or a household under Section 2 of the Internal Revenue Code is employed. See also *Expected Family Contribution (EFC).*
Enrolled	Completing registration requirements (except payment) at the institution the student is attending and beginning the attendance period. A correspondence school student must be accepted for admission and must complete and submit one lesson to be considered enrolled.
Enrollment Status	At those institutions using semesters, trimesters, quarters, or other academic terms and measuring progress by credit hours, enrollment status equals a student's credit-hour course load. This is categorized as full-time, three-quarter-time, half-time, or less-than-half-time.
Entrance Counseling (for the student loan borrower)	Each institution participating in the Federal Perkins, Federal Stafford, and Federal Direct Stafford must offer special counseling to borrowers called "initial" or "entrance" counseling. The institution must offer this counseling before the delivery of the first disbursement of any of these loans to a borrower at the institution. Initial counseling covers the borrower's rights and responsibilities, the terms and conditions of the loan, and the consequences of default. See also *Exit Counseling (for the student loan borrower).*

Entrance Interview (for the compliance audit)	A meeting prior to the beginning of a financial aid audit between an auditor and school administrative officials involved in the audit. Operating rules, an agenda, and a schedule for the on-site work are established. A similar interview is conducted by a federal official conducting a program review. See also *Audit* and *Exit Interview (for the compliance audit).*
Estimate	A numerical value obtained from a statistical sample and assigned to a population parameter.
Estimated Financial Assistance (EFA)	For purposes of determining eligibility for Campus-based aid, FFEL, or Direct Loan Program loans, the estimated financial assistance (EFA) must be determined. For the period the award is made, the EFA is the estimated amount of assistance that an institution is aware a student will be awarded or has been awarded in federal, state, or privately supported scholarship, grant, work, or loan programs, including veterans educational benefits and Social Security benefits. The EFA must also include the estimated amount of other federal student financial aid that the student would be expected to receive if the student applied for it, whether or not the student has applied for that aid.
Exit Counseling (for the student borrower)	Each institution participating in the Federal Stafford, Federal Direct Stafford, or Federal Perkins Loan Programs must offer special counseling to loan borrowers called "exit" counseling. For Federal Perkins borrowers, the interview must take place before the borrower leaves school. In the case of Federal Stafford or Federal Direct Stafford borrowers (except PLUS loans), the interview must take place shortly before the borrower ceases at least half-time study. During the interview, the borrower's rights and responsibilities are reviewed, details about handling loan repayment are discussed, and the average indebtedness of the school's borrowers must be disclosed. Borrowers also are required to update personal information, such as addresses and phone numbers. See Chapters 6 and 10 in the *Federal Student Financial Aid Handbook* for complete information on exit interview requirements. See also *Entrance Interview (for the student loan borrower).*
Exit Interview (for the compliance audit)	A closing meeting, following completion of a financial audit, between an auditor and administrative officials of the school involved in the audit. General audit findings and conclusions that will be included in the audit report are discussed. A similar interview is conducted by a federal official conducting a program review. See also *Audit* and *Entrance Interview (for the compliance audit).*
Expected Disbursement	The sum of all expected Federal Pell Grant payments to a student during an award year.

Expected Family Contribution (EFC)	The figure that indicates how much of a family's financial resources should be available to help pay the expenses of postsecondary education. This figure, determined according to a statutory method known as the Federal Need Analysis Methodology, is used in determining eligibility for Title IV aid. See also *Automatic Zero EFC* and *Primary and Secondary EFCs (Expected Family Contributions).*
Extrapolate	To predict by projecting past experiences or known data. To infer from values within an already observed interval.
FAFSA	See *Free Application for Federal Student Aid (FAFSA).*
FAFSA Processor	An organization contracted by ED to process Free Applications for Federal Student Aid (FAFSAs), send student information to the Federal Central Processing System (CPS), and print Student Aid Reports (SARs), Electronic Student Aid Reports (ESARs), and Institutional Student Information Reports (ISIRs).
Federal Direct Consolidation Loan	This loan is designed to combine several federal education loans into a single loan with one monthly repayment amount. Borrowers are eligible to apply for Federal Direct Consolidation Loans after they begin repayment or during the loans' grace periods.
Federal Direct PLUS Loan	Parents may borrow from this education loan program on behalf of their dependent children. Loans are made directly by the federal government through the school. Compare *Federal PLUS Loan.*
Federal Direct Stafford Loan (subsidized)	On the basis of student financial need, this loan program provides federally subsidized and financed loans to students who are in undergraduate, graduate, or professional programs. See also *Federal Direct Unsubsidized Loan.*
Federal Direct Student Loan Program	See *William D. Ford Federal Direct Student Loan Program.*
Federal Direct Unsubsidized Stafford Loan	This loan program provides federally financed, low-interest loans to students who are in undergraduate, graduate, or professional programs. These loans are not based on financial need and are not subsidized. The borrower pays the interest charges on the loan on a monthly basis or may allow the interest to be capitalized until repayment. See also *Capitalizing Interest* and *Federal Direct Stafford Loan (subsidized).*

Federal Family Education Loan Programs (FFEL Programs)	Formerly called the Guaranteed Student Loan (GSL) Program, this group of federal education loans was renamed the Federal Family Education Loan (FFEL) Program as part of the 1992 reauthorization of the Higher Education Act (HEA). The FFEL Program is made up of Federal Stafford Loans (both subsidized and unsubsidized), Federal PLUS [parent] Loans, and Federal Consolidation Loans. All of these are long-term loans insured by state or private nonprofit guaranty agencies that are reimbursed by the federal government for all or part of the insurance claims paid to lenders. This guaranty replaces the collateral or security usually required with long-term consumer loans. The Federal Supplemental Loans for Students (SLS) Program, which was once part of the FFEL Program, was eliminated by legislation as of July 1, 1994. See also *Guaranteed Student Loan (GSL)* and individual loan names.
Federal Need Analysis Methodology	The statutorily defined method for determining the Expected Family Contributions (EFCs) for all students applying for Federal Title IV student financial aid.
Federal Output Document	The Student Aid Report (SAR), Electronic Student Aid Report (ESAR), and other documents or automated data (ISIR) generated by the Central Processing System (CPS) as a result of processing the applicant data on the Free Application for Federal Financial Aid (FAFSA) or the Multiple Data Entry (MDE) application.
Federal Pell Grant	A grant program for undergraduate students who have not yet completed a first baccalaureate course of study. It is designed to assist financially needy students with the least ability to contribute toward their basic educational expenses. If students apply, meet all the eligibility criteria, and are enrolled in an eligible program at an eligible institution, they will receive Federal Pell Grants. Formerly, this grant was called the Basic Educational Opportunity Grant (BEOG); in 1982, it was renamed to honor Senator Claiborne Pell.
Federal Pell Grant Payment and Disbursement Schedules	Charts published annually by the U.S. Secretary of Education that determine the dollar value of student Federal Pell Grant awards on the basis of students' Expected Family Contributions (EFCs) and schools' costs of attendance (COAs).
Federal Perkins Loan/NDSL	This loan program provides low-interest student loans to undergraduate and graduate students. Formerly called the National Direct Student Loan (NDSL) Program, it was renamed to honor Congressman Carl D. Perkins in 1987.
Federal PLUS Loan	Parents may borrow from this student loan program on behalf of their dependent children. Loans are made by lenders such as banks, credit unions, or savings and loan associations. Compare *Federal Direct PLUS Loans.*

Federal Stafford Loan (subsidized)	A loan program providing federally subsidized, low-interest loans to students in undergraduate, graduate, or professional programs. Subsidized loans are awarded on the basis of student financial need. The loan formerly was part of the Guaranteed Student Loan (GSL) Program. It was renamed to honor Senator Robert T. Stafford; later the word "Federal" was added to its name. See also *Unsubsidized Federal Stafford Loan* and *Guaranteed Student Loans (GSL).*
Federal Supplemental Educational Opportunity Grant (FSEOG)	A Campus-based aid program that provides grant assistance to students who are in undergraduate programs and have not received a bachelor's degree. Priority in awarding Federal Supplemental Educational Opportunity Grant (FSEOG) funds is given to students who have exceptional financial need and are Federal Pell Grant recipients.
Federal Supplemental Loans for Students (SLS)	The Federal Supplemental Loans for Students (SLS) was a Title IV aid program providing loans to students who qualified for assistance beyond the funds available to them through the Federal Stafford Loan Program. With the creation of the Direct Loan Program, SLS was eliminated; as a result, SLS loan aid cannot be certified for any enrollment period that began on or after July 1, 1994.
Federal Work-Study (FWS)	A federally funded employment program that provides paid jobs for students who need such earnings to meet a portion of their educational expenses.
Fees (institutional)	To be an element of a school's cost of attendance (COA), fees must be mandatory, institution-based charges required as part of a student's program of study and charged to all students in that educational program. See also *Cost of Attendance (COA).*
Financial Aid Award	An offer of financial aid or in-kind assistance to a student attending a postsecondary educational institution. This award may be in the form of one or more of the following types of financial aid: a repayable loan, a not-to-be-repaid grant and/or scholarship, or student employment.
Financial Aid Package	An assistance offer by an educational institution to a student aid applicant that consists of one or more forms of financial aid, such as loans, grants, scholarships, and employment.
Financial Aid Transcript (FAT)	A form used by educational institutions to collect data about Title IV aid and other financial aid previously received by a student at other educational institutions. Institutions must provide financial aid transcripts (FATs) at no charge to students and former students.

Financial Need

The difference between the institution's cost of attendance (COA) and what the student's family is able to pay (the Expected Family Contribution [EFC]). See also *Cost of Attendance (COA)* and *Expected Family Contribution (EFC).*

Financial Responsibility

An institution must show that it has the financial responsibility to participate in Federal Title IV student aid programs. This means it must:

- provide all the services listed in its official institutional publications,
- provide the administrative resources to comply with the Title IV regulations, and
- meet all its financial obligations, including required refunds and repayments.

Also the institution must:

- be current in its debt payments,
- maintain a minimum cash reserve, and
- have an audit for the most recent fiscal year that does not express doubts about the institution's ability to continue.

For a for-profit institution, an institution must have an acid test ratio of at least 1:1, not have had operating losses during the past two fiscal years that result in a decrease of more than 10 percent in tangible net worth, and have a positive tangible net worth for the latest fiscal year.

For a nonprofit institution, an institution must have an acid test ratio of at least 1:1, a positive unrestricted current fund balance or positive unrestricted net assets, provide a classified statement of financial position and show that it has currently issued an outstanding debt obligation that is listed at or above the second highest rating level of credit quality given by a nationally recognized statistical rating organization.

For a public institution, an institution must have its liabilities backed by the full faith and credit of a state, have a positive current unrestricted fund balance if reporting a single audit, have a positive unrestricted current fund in the state's Higher Education Fund, submit to ED a statement from the state auditor that it has met all its financial obligations and has sufficient resources for that purpose, and show that it has currently issued an outstanding debt obligation that is listed at or above the second highest rating level of credit quality given by a nationally recognized statistical rating organization.

First-Time Student	A student who has not previously attended at least one class at the institution or received a 100 percent refund of his or her tuition and fees (less any permitted administrative fee) under the institution's refund policy for previous attendance at the institution. A student remains a first-time student until the student either withdraws, drops out, or is expelled from the institution after attending at least one class or completes the period of enrollment for which he or she has been charged.
Fiscal Operations	Activities related to managing and completing financial transactions. Funds management, including student accounts, is the primary responsibility of an institution's business office.
FISAP (Fiscal Operations Report and Application to Participate)	The annual report an institution sends to ED to report on the prior year's expenditures and apply for Campus-based financial aid funds for an upcoming award year. See also *Campus-based Programs* and *Electronic FISAP*.
Flowchart	A diagram that shows step-by-step progression through a procedure or system using connecting lines and a set of conventional symbols.
Forbearance	The loan lender's option of allowing a *temporary* reduction on or stop to payments of subsidized or unsubsidized Federal Stafford, Federal SLS, Federal PLUS, or Direct Loans, allowing an extended period for making payments, or accepting smaller payments than were previously scheduled. Forbearance may be given for circumstances that are not covered by deferment.
Form G-641	"Application for Verification of Information" from the U.S. Immigration and Naturalization Service (INS) records. It is a form letter requesting information about a student's citizenship that INS personnel may complete at the student's request.
Free Application for Federal Student Aid (FAFSA)	This ED input document is the foundation for all financial need analysis computations. The application form is completed by the student and family. It gathers data to calculate the Expected Family Contribution (EFC), which is used in determining eligibility for Federal Pell Grant, Campus-based, Federal Stafford Loan, and Federal Direct Student Loan awards. See also *Renewal Application and Expected Family Contribution (EFC)*.
Full Data Element Formula	A formula that uses the full range of data elements in calculating a student's Expected Family Contribution (EFC) under the Federal Need Analysis Methodology (also called the "regular formula"). See *Primary and Secondary EFCs (Expected Family Contributions).*

Full-Time Student	A term defined by each institution of higher education. By federal law, however, a full-time undergraduate student cannot be taking less than 12 semester or quarter hours per academic term in institutions with standard academic terms or 24 clock hours per week in institutions that measure progress in terms of clock hours.
General Education Development Certificate (GED)	A nationally recognized equivalent of a high school diploma granted after a student has passed a standardized examination.
General Institutional Eligibility Requirements	Federal regulations governing institutional eligibility to apply to participate in Title IV programs. General eligibility requirements are established by statutory definition and refer to: • location, • student admissions policy, • authorization to provide a postsecondary educational program, • accreditation, • types, lengths, and levels of educational programs within the institution, • the institution's type of control, and • the age of the institution.
Gift Aid	Financial aid that a student is not required to repay or earn through employment. Generally, gift aid is in the form of a grant or scholarship.
Grace Period	The time period that begins the day a loan recipient ceases to be enrolled as at least a half-time student and ends the day before the repayment period starts.
Graduate or Professional Student	Student enrolled in a program higher than one leading to a baccalaureate degree or to a first professional degree who also has completed at least three years of full-time study at an institution of higher education and who is not concurrently receiving Title IV aid as an undergraduate student.
Grant (programs)	Gift aid programs that require neither repayment nor a work obligation. Federal Title IV grant programs include the Federal Pell Grant, Federal Supplemental Educational Opportunity Grant (FSEOG), and State Student Incentive Grant (SSIG). See also individual grant program names.

Guaranteed Student Loan (GSL)* Program	This term formerly was used in two ways. Collectively, Guaranteed Student Loans (GSL) referred to the Stafford, Supplemental Loans for Students (SLS),* PLUS, and Consolidation Loan Programs, now renamed the Federal Family Education Loan (FFEL) Program. GSL was also the original name of what is now called the Federal Stafford Loan. The SLS Program was eliminated by legislation effective July 1, 1994. (*These terms are no longer in use; they are provided for your background information.) See also *Federal Family Education Loan (FFEL) Program.*
Guaranty Agency	A state agency or private, nonprofit institution or organization that administers the Federal Family Education Loan (FFEL) Program. One major function is to insure Federal Family Education Loans. Guaranty agencies are reimbursed by the federal government for all or part of the insurance claims they pay to lenders.
Guaranty Fee	See *Insurance Premium.*
Half-Time Student	For the Federal Family Education Loan (FFEL) Program, a half-time student is one who is carrying a half-time academic workload (as determined by the school), that equals at least one-half the workload of a full-time student. For the remaining Title IV programs, a student is considered half-time by carrying a half-time academic workload (as determined by the school), generally equaling or exceeding the following minimum requirements: (a) 6 semester, trimester, or quarter hours per academic term for an institution using standard terms; (b) 12 clock hours per week for schools using clock-hour measurement for an institution using credit hours to measure progress but not using standard academic terms; (c) 12 semester hours or 18 quarter hours per academic year; or (d) Enrollment in an eligible correspondence program requiring at least 12 hours of preparation per week.
Hand Calculation	On-campus calculation (manual or by computer program) of the Expected Family Contribution (EFC), in contrast to the EFC calculation provided by the Central Processing System (CPS). See also *Federal Central Processing System.*

Higher Education Act (HEA) of 1965, as amended	Landmark national higher education legislation passed by Congress and signed by President Lyndon B. Johnson in 1965, as well as all subsequent amendments and reauthorizing (extending) legislation of the statute. Title IV of the HEA authorizes the majority of the nation's federal postsecondary student financial aid programs and mandates that they be regulated and administered by the U.S. Secretary of Education. The HEA is effective for approximately five years, requiring Congress to reauthorize it every five years or so or to extend the legislation for up to one additional year. The statute's most current version, as amended, always stands as the official version of the law. See also *Reauthorization* and *Title IV Student Financial Aid.*
Higher Education Amendments of 1992	Congressional amendments and changes to the Higher Education Act (HEA) of 1965, as amended, put in place during the 1992 reauthorization of the HEA. They became federal law on July 23, 1992 when President George Bush signed the bill. Sometimes referred to as "the 1992 Amendments" or "the Amendments" in second and multiple-use references.
Higher Education Technical Amendments of 1993	Corrections to the 1992 reauthorization of the Higher Education Act (HEA).
Immediate Need	A school requests funds to meet its "immediate need" for disbursing Federal Pell Grant and Campus-based program awards. For schools under FEDWIRE, "immediate need" is for the next day, whereas under the Automatic Clearinghouse (ACH), "immediate need" is a three-day period. Under both FEDWIRE and ACH, recipients request funds as needed, for example, every three days, once a week, or whatever is appropriate. See also *Automated Clearinghouse (ACH)* and *FEDWIRE.*
Incarcerated Student	Student who is serving a criminal sentence in a federal, state, or local correctional facility. A student in a less formal arrangement such as a halfway house, home detention, or sentenced to serve only weekends, is not considered to be incarcerated.
Income-Contingent Loan (ICL) Demonstration Project*	A former federal project in which ED selected ten schools as initial participants in a loan program. Yearly repayments were based on the borrower's previous year's adjusted gross income (AGI). The demonstration project ended October 1, 1993. (*This term is no longer in use; it is provided as background information.)

Independent Student	To be classified as an independent student for Federal Title IV financial aid, a student must meet one or more of the following criteria: (a) Is at least 24 years old by December 31 of the award year for which aid is sought; (b) Is an orphan or ward of the court; (c) Is a veteran of the Armed Forces of the United States; (d) Has legal dependents other than a spouse (for example, dependent children or an elderly dependent parent); (e) Is a graduate or professional student; (f) Is married; and/or (g) Is deemed to be independent by the school's financial aid administrator. Compare *Dependent Student.*
Information Summary	Part 1 of the Student Aid Report (SAR). This section informs students of their eligibility for a Federal Pell Grant and shows the student's Expected Family Contribution (EFC). The Information Summary becomes a part of the student's financial aid file. See also *Student Aid Report (SAR).*
In-House Control Documents	Documents a school uses to meet recordkeeping requirements for financial aid, provide data needed for aid-related reports, and maintain a clear audit trail.
Inferences	Generalizations about an entire population based on the characteristics of a sample.
Institution of Higher Education	A public or private nonprofit educational institution located in a state, that: (a) Admits as regular students only persons with a high school diploma (or its recognized equivalent) or persons beyond the age of compulsory elementary/secondary school attendance in the state where the institution is located; (b) Is legally authorized, in the state where it offers postsecondary education, to provide a postsecondary educational program; (c) Provides a program leading to an associate, baccalaureate, graduate, or professional degree, or at least a two-year program that is acceptable for full credit toward a bachelor's degree or at least a one-year training program that leads to a degree or certificate and prepares students for gainful employment in a recognized occupation; (d) Is a public institution or a private nonprofit institution to which contributions are tax deductible under section 501(c)(3) of the Internal Revenue Code; and

(e) Is accredited or preaccredited by a nationally recognized accrediting agency or association or is a public "postsecondary vocational school" approved by a state agency listed by ED as a reliable authority on the quality of public postsecondary vocational education in that state.

See also *Postsecondary Vocational Institution* and *Proprietary Institution of Higher Education.*

Institutional Capital Contribution (ICC)	The portion of the Federal Perkins Loan Fund contributed by an institution. Beginning with the 1994-95 award year, the new ICC must be equal to at least one-third of the new Federal Capital Contribution (25 percent of the combined FCC + ICC). Compare *Federal Capital Contribution (FCC).*
Institutional Eligibility Notice	A letter sent to an institution by ED's Institutional Participation Division (IPD) designating an institution as eligible to apply to participate in Federal Title IV financial aid programs.
Institutional Liability	Financial penalties or repayments that must be paid to ED as a result of incorrect institutional action. A liability is the difference between the actual expenditures reported by the institution on its EDPMS 272 for an Obligation Document Number for the award year and the final allowable expenditures as determined by the auditor, program reviewer, or hearing official.
Institutional Payment Summary (IPS)	A transmittal form that accompanies each individual batch of institutionally completed Federal Pell Grant Payment Vouchers. The Institutional Payment Summary (IPS) must be submitted at least once every three months, whether or not it is accompanied by Payment Vouchers. See also *IPS Batch Report* and *Payment Voucher.*
Institutional Reading	Consists of all of the types of readings (or errors) over which an institution has control, ranging from the collection of required documents, such as the Statement of Educational Purpose, to readings in the calculation or disbursement of Title IV aid.
Institution's Aid Disbursement/ Delivery Policy	A policy specifying the earliest dates in each payment period that a school will credit aid to accounts and/or deliver aid as direct payments to students.
Institution's Aid Priority Policy	A recommended written school policy clearly specifying the order in which financial aid awards will be applied to cover students' institutional charges.

Institution's Refund Policy	Each school must have a refund policy that states the amount or percentage of charges to be cancelled for students who terminate their enrollment prior to the end of a payment period. The Higher Education Amendments of 1992 require a school to implement a fair and equitable refund policy. Congress made the policy requirements effective as of July 23, 1993, the date the law was enacted. Under the law, a school's policy must provide a refund of the [school's] unearned tuition, fees, room and board, and other charges assessed a student who received Title IV assistance (including Federal PLUS loans received on a student's behalf). Such refunds must be provided for students who fail to register for or do not complete the attendance period for which the Title IV aid was intended.
Institution's Repayment Policy	A school's consistently applied policy on the amount of non-institutional education-related expenses incurred by students for a payment period.
Insurance Premium	An insurance fee charged a lender by a guaranty agency. The fee is usually passed along to the borrower. In most cases, a lender reduces the amount of the loan disbursement by the fee amount; however, a student is still responsible for repaying the entire amount of all loans. Also known as a guaranty fee. See also *Loan Fee* and *Origination Fee*.
Integrity	The condition of being free from defects or flaws.
Interest (subsidized)	The interest (subsidy) payment made by ED on a subsidized student loan on a borrower's behalf. ED makes the payments for certain specific periods, such as during the borrower's enrollment (at least half-time), the grace period, or any deferment period. Interest subsidy is paid to the lenders of subsidized Stafford loans during qualifying periods; the borrower is not charged interest on subsidized Direct Stafford loans during qualifying periods.
Interim Disbursement	A single first disbursement of Federal Pell, Federal Supplemental Educational Opportunity Grant (FSEOG), and/or Federal Perkins funds to a student who has not completed application verification. The institution is responsible for recovering payment if the student never completes verification or if the amount for which the student is deemed eligible lessens as a result of verification. Interim disbursements are made at the discretion of the institution and are optional.
Legislative Amendment	A revision or change in a legislative measure that adds, deletes, or rephrases a law's text.
Loan	An advance of funds guaranteed by a signed promissory note in which the recipient promises to repay the specified amount(s) under prescribed conditions.

Loan Disclosure Statement	A statement sent to the loan borrower by the lender before or at the time it disburses a loan, as well as before the start of the repayment period. The purpose of the disclosure is to provide the borrower with thorough and adequate information about the loan terms and the consequences of default, including such provisions as the amount of the loan, interest rate, fee charges, length of the grace period (if any), the maximum length of the repayment period, the minimum annual repayment, deferment conditions, and the definition of default.
Loan Fee	A loan expense charged the loan borrower by the lender; it is deducted proportionately from each loan payment paid to the borrower. Fees are for the loan's origination and insurance. See also ***Insurance Premium*** and *Origination Fee*.
Long-Term Improvement	An enhancement targeted for implementation beyond twelve months.
Management Assessment	This step, which is performed every year of QAP participation, is a qualitative assessment of management policies and procedures; it is done by analyzing a detailed process flowchart and taking an inventory of existing procedures to assess if quality improvements are needed.
Management Enhancement	This step, which also is performed every year of QAP participation, is the implementation of areas of deficiency noted in Management Assessment (Step 1).
Near-Term Improvement	An enhancement targeted for implementation within twelve months.
Need	The difference between a student's cost of attendance (COA) (student budget) and the Expected Family Contribution (EFC).
Need Analysis	A process used to determine an applicant's need for student financial assistance. See also *Federal Need Analysis Methodology*.
Need-Based Assistance	Any form of financial aid awarded on the basis of demonstrated financial need. Need is established by subtracting the Expected Family Contribution (EFC) from the school's cost of attendance (COA).
Off-Campus Agency	An external agency that employs a school's Federal Work-Study (FWS) student(s) and pays the nonfederal share of the wages. See also *Federal Work-Study (FWS)*.

One-Academic-Year Training Program	A program consisting of at least 24 semester/trimester hours or 36 quarter hours at institutions using credit hours to measure progress; 900 clock hours of supervised training at an institution using clock hours to measure academic progress; or 900 clock hours in a program of study by correspondence. The program must include at least 30 weeks of instructional time.
Original Data	Data that is originally used to either compute a student's Federal Pell Grant eligibility, award Campus-based aid, or certify a Federal Stafford loan; type of data can be used to explain type of variance.
Origination Fee	A cost of borrowing a loan calculated as a percent of the amount borrowed under any Federal Family Education Loan (FFEL) Program loan and charged to the student by the lender. This fee is usually subtracted from the student loan amount before the student receives the loan money. See also *Insurance Premium* and *Loan Fee.*
Overaward	The condition that exists when an institution awards financial assistance to a student that, in combination with all of the resources made available to that student from federal and nonfederal sources, exceeds the difference between the student's cost of attendance (COA) and the Expected Family Contribution (EFC). While this is the technical definition of an overaward, an institution is not in violation of Campus-based Program regulations prohibiting overawards if the institutional award aid and total resources the student receives funds exceed his/her financial need by $200 or less. If Federal Work-Study (FWS) is the only type of Campus-based aid in the student's package, the allowed overaward threshold is $300.
Overpayment	Any financial aid amount paid to a student in excess of the amount the student is entitled to receive. This situation may arise due to a change in enrollment status, withdrawal, or a change in financial situation. In any of these instances, the student would be required to repay excess funds received unless adjustments could be made to the student's aid during subsequent payment periods within the same award year.
Packaging	The process of assembling one or more financial aid awards of loans, grants, scholarships, and employment for a student.
Parents' Contribution	A quantitative estimate, according to the Federal Needs Analysis Methodology, of parents' ability to contribute to postsecondary educational expenses of their dependent child. See also *Expected Family Contribution (EFC).*
Payment and Disbursement Schedules	See *Federal Pell Grant Payment and Disbursement Schedules.*

Payment Period	A school-defined length of time for which financial aid funds are paid to a student. For programs using academic terms, a payment period is equal to a term. For programs not using academic terms, schools must designate at least two payment periods within an academic year when there are two periods pursuant to all applicable regulations. In the Federal Family Education Loan (FFEL) and Campus-based programs, a payment period is the time between the beginning and midpoint or between the midpoint and end of the academic year or non-traditional program calendar. The Federal Pell Grant program payment period is defined in 34 CFR 690.3 of the Pell regulations.
Payment QA Readings	The difference between the actual amount of aid disbursed and the amount that would have been disbursed if all data, calculations, and procedures were correct.
Payment Reimbursement Method	A method certain schools must use to request federal financial aid funds from ED. After making aid disbursements to students, the school submits Form PMS 270, "Request for Advance or Reimbursement," to ED to be reimbursed for the funds it has expended. Payment is by ACH/EFT.
Payment Reading	The difference between the actual amount of aid disbursed and the amount that would have been disbursed if all data, calculations, and procedures were correct.
Payment Voucher (Federal Pell Grant)	Part 3 of the Student Aid Report (SAR). A machine-readable form, it is coded with an individual student's payment data at the institution before it is submitted to ED. ***Note:*** Schools have the option of submitting this data via magnetic tape, on diskettes, or electronically. See also *Processed Payment Voucher*.
Pell Grant	See *Federal Pell Grant*.
Pell Payment Data	See *Processed Payment Voucher*.
Period of Performance	Time in which the institution is bound to the conditions of QAP pursuant to the QAP two years beginning on July 1st of the first year.
Perkins Loan	See *Federal Perkins Loan/NDSL*.
PLUS Loan	See *Federal PLUS Loan*.

Policies and Procedures Manual	A manual that helps an institution effectively and consistently manage financial aid using a compilation of written policies and procedures. Although ED does not require such a manual be used, it recommends that a school compile one, especially as federal financial aid regulations require schools to have and maintain certain written policies.
Population	The total number of people from which the sample is chosen.
Population Segments	A portion(s) set apart from the total number of people making up a whole.
Postsecondary Institution	An education institution providing education beyond the high school level. The term is used to refer to trade and technical schools, as well as to community colleges and to four-year colleges and universities.
Postsecondary Vocational Institution	An education institution that: (a) Admits as regular students only persons with a high school diploma (or its recognized equivalent) or persons beyond the age of compulsory school attendance in the state where the institution is located; (b) Is legally authorized, by the state where it offers postsecondary education, to provide a postsecondary educational program; (c) Provides at least a six-month program, leading to a degree or certificate, that prepares students for gainful employment in a recognized occupation; (d) Is a public institution or a private nonprofit institution to which contributions are tax deductible under section 501(c)(3) of the Internal Revenue Code; (e) Is accredited or preaccredited by a nationally recognized accrediting agency or association or is a public postsecondary vocational institution approved by a state agency listed by ED as a reliable authority on the quality of public postsecondary vocational education in that state; and (f) Has been giving instruction for at least two years. See also *Institution of Higher Education* and *Proprietary Institution of Higher Education.*

Primary and Secondary EFCs (Expected Family Contributions)	A student who qualifies for the Simplified Need Test for financial aid fills out the Supplemental Information page on the Free Application for Federal Student Aid (FAFSA). Using this information, the Central Processing System (CPS) calculates a primary (and sometimes a secondary) Expected Family Contribution (EFC). The primary EFC is calculated using a statutory (simplified) formula; the result appears on the upper right-hand corners on Parts 1 and 2 of the SAR and on other federal financial aid output documents. If the student qualifies for the Simplified Need Test and also provides enough financial information for the CPS to use the full data element (regular) formula, the secondary EFC will appear in the "School Use" box on Part 2 of the SAR. In awarding aid, the financial aid administrator may use either the primary or the secondary EFC. See also *Expected Family Contribution (EFC), Federal Output Documents, Full Data Element Formula,* and *Simplified Need Test Formula.*
Principal and Interest	Principal is the loan amount borrowed. Interest is the amount the lender charges the borrower for using the money. Interest rates are usually stated in annual percentages.
Prior Year Recoveries	The funds a school recovers in a given award year from financial aid money disbursed in prior award years. Institutions must adjust award expenditures and administrative cost allowances (ACAs) in the award year in which a recovery is made. See also *Administrative Cost Allowance (ACA).*
Probability	Chance associated with an event or value.
Program Assessment	This step, which is only performed in the second and subsequent years of QAP participation, is the quantitative analysis assessment that is done using statistical sampling techniques.
Program Enhancement	This step, which also is only performed in the second and subsequent years of QAP participation, consists of implementing the necessary corrective actions identified in Program Assessment (Step 3).
Program Integrity Triad	A collaborative three-party evaluation process by nationally recognized accrediting agencies or associations, State Postsecondary Review Entities (SPREs), and ED for schools participating in Federal Title IV financial aid programs. See also *State Postsecondary Review Entity (SPRE).*

Program Participation Agreement (PPA)	A written agreement that must be signed by both a top official at an institution and the U.S. Secretary of Education to permit the institution to participate in one or more Federal Title IV student aid programs (other than the State Student Incentive Grant [SSIG]). The signed agreement makes the initial and continued eligibility of the institution to participate in Title IV programs conditional on compliance with all the provisions of the applicable laws and program regulations.
Program Review Exceptions	Institutional policies, procedures, or actions related to federal student financial aid programs cited in a program review report as being contrary to the federal laws or regulations that govern the programs.
Promissory Note	A contract between a lender and a borrower that contains the terms and conditions of the loan, including how the loan must be repaid. It becomes legally binding when signed (executed) by the borrower.
Proprietary Institution of Higher Education	An educational institution other than a public or private nonprofit institution located in a state that: (a) Admits as regular students only persons with a high school diploma (or its recognized equivalent) or persons beyond the age of compulsory school attendance in the state where the institution is located; (b) Is legally authorized, by the state where it offers postsecondary education, to provide a postsecondary educational program; (c) Provides at least a six-month program of training, leading to a degree or certificate, that prepares students for gainful employment in a recognized occupation; (d) Is accredited by a nationally recognized accrediting agency or association; (e) Has provided postsecondary instruction (and has been legally authorized to give postsecondary instruction) for at least two years; and (f) Derives at least 15 percent of its revenues from non-Title IV funds. See also *Institution of Higher Education* and *Postsecondary Vocational Institution.*
Quality Assurance	Pledge or commitment to excellence.
Quality Assurance Methodology	An analysis of the principles or procedures to ensure the highest degree of excellence is maintained.

Quality Assurance Program (QAP)	An ED quality-control model with an oversight strategy that focuses on results. Within established parameters, Quality Assurance Program (QAP) participants develop their own procedures for achieving award accuracy, measuring the effectiveness of their systems, and designing and targeting quality enhancements through continuous improvement efforts.
Quality Assurance Program Participation Agreement	Institutions enter into a formal agreement with ED as a condition of participation in QAP. The QA Participation Agreement defines the responsibilities of all parties involved.
Quality Assurance Program Site Review	An ED official may make a QA Program site review to a QA institution in order to confirm the accuracy of information reported, and to provide technical assistance to the institution.
Quality Improvement	An enhancement to address weaknesses identified in the delivery system.
Quantitative Analysis	An analysis is designed to determine the amounts or proportions of QA readings found.
Quarter	A standard academic term, usually 10 to 15 weeks in length. At institutions using quarters to measure student progress, an academic year is defined as the time period in which a full-time student is expected to complete the equivalent of three quarters. (For fiscal reporting, quarters in the Title IV award year are July-September, October-December, January-March, and April-June.) See *Academic Year*.
Quarterly Report	An automated report, known as the EDPMS 272 Report, that ED sends to institutions at the end of each quarter during a federal fiscal year. An institution completes designated portions of the report dealing with disbursements and recoveries for the Federal Pell Grant and Campus-based programs and returns the report to ED. See also *Department of Education Payment Management System (EDPMS)*.
Random Number Generator	A computer function (e.g., RANUNI in SAS) that generates and assigns unique numbers between zero and one for each student in your sampling frame.
Random Seed	Any positive integer less than 2,147,483,647 that will be used by a random number generator to assign unique numbers to each student in a sampling frame.
Reading	The difference between an observed or calculated value and a true value.

Reauthorization	The process of changing legislation, generally carried on every five to seven years in the case of the Higher Education Act (HEA), whereby Congress reviews and then renews, terminates, or amends existing programs. (July 23, 1992 was the date the most recent HEA reauthorization was enacted.) See also *Higher Education Act (HEA) of 1965, as amended.*
Reconciliation of Cash	A confirmation that the cash amount shown in a school's accounting records agrees with the cash amount reported in the school's bank statement. Prompt and thorough cash reconciliation helps ensure the ongoing accuracy of a school's internal-control accounting system.
Recording QA Readings	Enter both original and documented values into the QA Software.
Refund	Portion of financial aid funds credited to a student's school account to cover institutional charges that the school returns to the lender if the student withdraws from, is expelled from, or drops out of school. The student also may be entitled to receive a refund. However, if the student received any Federal Title IV aid (other than Federal Work-Study), by law, a part of the refund must go to Title IV programs.
Refund Policy	A school policy, developed using required federal laws and regulations that determines the conditions under which a student is entitled to a refund of financial aid payment(s) made to the school on the student's behalf and the amount of that refund.
Regular Formula	See *Full Data Element Formula.*
Regular Student	A person enrolled or accepted for enrollment in an eligible program at a postsecondary institution for the purpose of obtaining a degree or certificate.
Renewal Application	A pre-printed application form to be updated by a current federal financial aid applicant to be eligible to receive Title IV financial aid for the upcoming (next) award year. To use this particular update form the student must have submitted a FAFSA applying for (although not necessarily receiving or accepting) federal financial aid during the preceding (current) award year. A renewal aid application is mailed directly to the student by the Central Processing System (CPS) to be completed and returned to the CPS. See also *Free Application for Federal Student Aid (FAFSA).*

Repayment	When a financial aid recipient who has received Federal Title IV cash disbursement(s) withdraws from school, the school must determine whether the student owes a repayment to the government. If the cash disbursement (excluding Federal Work-Study [FWS] and Federal Stafford/PLUS loans) was greater than the amount of the student's living expenses before the student withdrew from school, the difference is considered an overpayment that must be repaid. A portion of the overpayment must be collected from the student and returned to Federal Title IV programs as outlined in the school's repayment allocation policy. See also *Overpayment* and *Repayment Allocation Policy.*
Repayment Allocation Policy	A policy a school must develop that specifies the order in which Title IV repayments (overpayments) will be returned to the federal financial aid programs from which they are received. A new method of allocating repayments in a statutorily prescribed order became effective with the 1993-94 award year, it was put in place by the 1992 reauthorization of the Higher Education Act (HEA). While an institution may determine its own allocation priorities, under no circumstances may a repayment to a particular aid program exceed the amount the student received from that program. See also *Distribution Formulas, Overpayment,* and *Repayment.*
Repayment on a Grant	Repayment due from a student to Federal Title IV student aid fund accounts because of a change in the student's enrollment status, total withdrawal from school, or change in financial situation. This amount may be a partial or total repayment of Federal Pell Grant, Federal Supplemental Educational Opportunity Grant (FSEOG), or State Student Incentive Grant (SSIG) funds. The government repayment may be in the form of an adjustment (debit) to a student's school account that recovers already credited, but as yet unused, grant funds or it may be a repayment directly from the student to the government for grant funds already disbursed for living and other education-related expenses.
Repayment Period	The period during which a borrower (student or parent) is scheduled to repay a student loan.
Repayment Plan	The *overall timetable* by which a borrower is to pay back a student loan. There are various repayment plans available for the Federal Family Education Loan (FFEL) Program and the Direct Loan Program, including the standard repayment plan, an extended repayment plan, and an income-contingent repayment plan. See also *Repayment Schedule.*

Repayment Schedule	The *specific timetable*, using the borrower's repayment plan as its basis, that details the amount of loan principal and interest due in each repayment installment and the number of the number of payments that will be required to pay off the loan in full. Additionally, a repayment schedule traditionally lists the loan's interest rate, the due date of the first loan payment, and the frequency of loan payments. See also *Repayment Plan.*
Resident Student	A student who lives on-campus or in housing owned and/or maintained by the institution.
Room (as in "room and board")	The cost of on-campus student housing or off-campus housing. See also *Board.*
Sampling	The act, process, or technique of selecting a representative part of a population for purposes of determining parameters or characteristics of the entire population.
Satisfactory Academic Progress (SAP)	A satisfactory rate of student course completion that is determined using qualitative and quantitative measures. By law, schools whose students receive Title IV funds must create policies for monitoring student academic progress (SAP). Each time a Title IV disbursement is made to a student, the school must evaluate the student's SAP (according to its established SAP policy) and document the results.
Scheduled Award	See *Scheduled Federal Pell Grant Award.*
Scheduled Cash Payment	The total institutional cost minus the total aid paid to institutional costs for the payment period.
Scheduled Federal Pell Grant Award (scheduled award)	The Federal Pell Grant amount that would be paid to a full-time student for a full academic year. The scheduled award total is taken from the Federal Pell Grant Payment Schedule; the amount is determined on the basis of the school's cost of attendance (COA) and the Expected Family Contribution (EFC). (COA - EFC = student's scheduled Pell Grant award.)
Scholarship	A form of postsecondary student financial assistance that does not require repayment or student employment. A "merit-based" scholarship is awarded to a student who demonstrates or shows potential for distinction, usually in academic performance. A "need-based" scholarship is awarded to a student who demonstrates financial need. Scholarships may require both academic proficiency and demonstrated financial need.
Secondary EFC	See *Primary EFCs (Expected Family Contribution).*

Selective Service Registration	If required by law, you must register, or arrange to register, with the Selective Service to receive federal student aid. A statement appears on the 1995-96 Student Aid Report (SAR) that allows you to state either that you have registered with the Selective Service or to explain why you're not required to register. The requirement to register applies to males who were born on or after January 1, 1960, are at least 18, are citizens or eligible noncitizens, and are not currently on active duty in the armed forces. (Citizens of the Federated States of Micronesia, the Marshall Islands, or Palau are exempt from registering.)
Self-Assessment	A school's regularly scheduled in-house evaluation of the way it administers its student financial aid program. A self-evaluation is undertaken in an effort to detect any problems early on and resolve them.
Self-Help Aid	Financial aid loan programs or employment-opportunity programs awarded to students.
Separation of Functions	As part of administering federal student financial aid programs, a school is required to establish and maintain a check-and-balance internal-control system ensuring that no single school office can both authorize payments and disburse funds to students. Typically, this separates the functions of the school's financial aid office and the school's business office.
Simple Random Sampling	Commonly known as a Monte Carlo draw, it is particularly useful for larger institutions. This sampling method is automated and is particularly useful in selecting from a lengthy sampling list, using a large mainframe computer system with a random number generator.
Simplified Need Test Formula	A statutorily created simplified financial-need analysis formula. A part of the Federal Need Analysis Methodology, it uses a limited number of data elements to calculate a student's Expected Family Contribution (EFC). The calculation then is used in assessing a student's need for postsecondary financial assistance. See also *Primary and Secondary EFCs (Expected Family Contributions.* Compare *Full Data Element Formula.*
Six-Month Program	An instructional program consisting of at least 16 semester or trimester hours or 24 quarter hours at an institution that uses credit hours to measure progress; 600 clock hours of supervised training at an institution that uses clock hours to measure progress; 600 clock hours in a correspondence program; or a program that the U.S. Secretary of Education determines to be a six-month program on the basis of the secretary's agreement with certification by the institution's nationally recognized accrediting agency or association that the program is equivalent in course content and student workload to a comparable six-month credit-hour or clock-hour program.

Skip Tracing	Traditionally, searching for someone with unpaid debts who has left hurriedly or secretly ("skipped") without leaving a forwarding address. In a federal financial aid context, this is when, for whatever reason, a loan borrower no longer lives at the address where a lender or school is sending loan billing notices, and the lender or school must attempt to locate the borrower's correct address. In the search, the law allows the use of any information obtained from the borrower while the borrower was at the school (such as data taken from applications and files), as well as information gleaned from any school office (including the registrar's office and the alumni office). If the borrower still cannot be located using information from the school or otherwise available to a lender, the lender or school must use the ED's free skip-tracing service to try to locate the missing loan borrower.
SLS	See *Federal Supplemental Loans for Students (SLS).*
Source Document	When estimating a student budget to use in determining cost of attendance (COA) at a school, this is the original supporting datum for an item's cost or estimated cost and/or back-up materials detailing why a certain expense decision was made or a specific dollar value was selected. See also *Cost of Attendance (COA).*
Special Allowance	A percentage of the average unpaid balance of the principal on a student loan that ED pays a lender.
SSIG	See *State Student Incentive Grant (SSIG).*
Stafford Loan	See *Federal Direct Stafford Loan (subsidized), Federal Direct Unsubsidized Stafford Loan, subsidized Federal Stafford Loan,* and *unsubsidized Federal Stafford Loan.*
Standard Maintenance Allowance	An allowance for the basic costs of maintaining family members in the home that is taken into account when considering family income as part of the Expected Family Contribution (EFC). The allowance is on the basis of various types of consumer expenses and other cost estimates used by the Bureau of Labor Statistics for a family at the low standard of living. See also *Expected Family Contribution (EFC).*
State Postsecondary Review Entity (SPRE)	A state agency approved by the U.S. Secretary of Education to determine institutional eligibility of Title IV program participation and to ensure compliance with state standards. SPREs were created in the 1992 reauthorization of the Higher Education Act (HEA). See also *State Postsecondary Review Program (SPRP).*

State Postsecondary Review Program (SPRP)	A program created in the 1992 Higher Education Act (HEA) reauthorization that is designed to reduce fraud and abuse in federal financial aid programs. The State Postsecondary Review Program (SPRP) establishes state standards for schools participating in Title IV programs. A state identifies a State Postsecondary Review Entity (SPRE) to perform these functions. See *State Postsecondary Review Entity (SPRE).*
State Student Incentive Grant (SSIG)	A Title IV aid program jointly funded by the federal government and participating states. It provides state scholarship grant assistance to students who show financial need.
Statement of Account (SOA)	An official Pell Grant statement from ED that sets a school's Pell authorization level for the upcoming year and projects future adjustments to the school's Pell payments. See also *Federal Pell Grant.*
Statement of Educational Purpose	A student must sign this statement to receive federal student aid. By signing, a student agrees to use Title IV student aid solely for education expenses. The statement appears on the Student Aid Report (SAR), the Federal Stafford loan application, and the Unsubsidized Stafford loan application; a school also may prepare its own similar statement for a student to sign. Both the student and parent must sign this statement on a Federal PLUS application.
Statistical Sampling	A random selection from the entire population.
Student Aid Report (SAR)	The report sent directly to a student that summarizes the information submitted on the student's Free Application for Federal Student Aid (FAFSA) and provides financial-need calculations (including the student's Expected Family Contribution [EFC]) on the basis of these submitted figures. If the Student Aid Report (SAR) does not need corrections, the student turns it in to the financial aid office of the school she/he will be attending. If corrections or information changes need to be made, the student provides the information needed to make the corrections and returns Part II of the SAR to the Central Processing System (CPS). Part 3 of the SAR is the Payment Voucher, an accounting form the school uses to certify disbursement information to ED about financial aid payments the student receives. See also *Payment Voucher (Federal Pell Grant).*
Student (Applicant) QA Reading	Consists of variance over which the student and/or family has control, such as the reporting of income, household size, and number in college. There are three subsections for student QA reading: Federal Pell Grants, Campus-based aid, and Federal Stafford loans.
Student Budget	See *Cost of Attendance* and *Source Document.*

Student Confirmation Report	See *Student Status Confirmation Report.*
Student Contribution	The dollar figure the student is expected to contribute toward postsecondary educational costs from base-year income (taxed and untaxed), assets, and other resources. This amount is determined by analyzing the student's income and assets in tandem with provided allowances designed to ensure that the student actually can contribute the necessary expenses. See also *Assets, Base Year (for financial aid awards), Taxed Income,* and *Untaxed Income.*
Student Loan Reform Act of 1993 (SLRA)	Federal legislation tied to the Higher Education Act (HEA); it was enacted on August 10, 1993. It is the legislation that created the Federal Direct Student Loan Program and eliminated the Federal Supplemental Loans for Students (SLS) Program. See also *Higher Education Act (HEA) of 1965, as amended.*
Student Payment Grant Summary	A listing retained in ED's records of Federal Pell Grant recipients and their award information. The summary is sent to the institution at least three times during the award year as well as at the end of the award year.
Student Status Confirmation Report	A guaranty agency report (either printed or on magnetic tape) that is sent to educational institutions at least twice a year. It lists all the Federal Stafford Loan and Federal Supplemental Loans for Students (SLS) borrowers at the institution who (a) have loans guaranteed by the agency and (b) were last reported as enrolled at the school. The institution is required to provide the guaranty agency with certain enrollment information about each of the borrowers. Lenders use the Student Status Confirmation Reports as a monitoring device to help determine when student borrowers are eligible to begin repaying their student loans.
Summary QA Reading	Consists of overpayments and underpayments for Federal Pell Grants, overpayments for Campus-based aid, and over- and undercertifications for Federal Pell Grants, overpayments for Campus-based aid, and over- and undercertifications and overpayments for Federal Stafford loans; summary QA reading is comprised of both student and institutional variance.
Supplemental Appropriation	Appropriation measures passed by Congress and signed by the president after the regular appropriation to (a) meet unanticipated expenses, (b) fund new authorizations, or (c) expand existing funding. See also *Appropriation.*

Supplemental Educational Opportunity Grant (SEOG)	See *Federal Supplemental Educational Opportunity Grant (FSEOG).*
Supplemental Loans for Students (SLS)	See *Federal Supplemental Loans for Students (SLS).*
Systematic Random Sampling	Method of selection in which cases are drawn from a population at some fixed interval, but where the starting case is selected at random; it may be an automated or a manual selection process; it is a particularly useful method for small institutions that will have a short list of recipients and will draw the sample manually (even if the recipient list is generated by computer) or will use a small computer system to automate the selection.
Taxed Income	Personal income (earnings) subject to federal tax. See *Untaxed Income.*
Team Approach	Actively seeking the participation of staff throughout the institution toward improving office operations, and recognizing staff contributions.
Term-Based Schools	Institutions that measure academic progress in terms — quarters, trimesters, or semesters — and where students earn credit hours.
Tolerance Levels (verification)	On a Student Aid Report (SAR) or other federal output document, the allowed limit of the absolute value of the dollar error within which financial aid recalculation and/or reprocessing is not required. If the absolute values are equal to or greater than the tolerance levels, the Expected Family Contributions (EFCs) must be recalculated using the correct data. See also *Verification.*
Transfer of Funds	Moving a statutorily allowable percentage of financial aid allocations from Perkins loan funds to Federal Work-Study (FWS) funds and from Perkins loan funds and FWS funds to Federal Supplemental Educational Opportunity Grant (FSEOG) funds.
U.S. Code (U.S.C.)	The federal government's compilation of public laws.
Undergraduate	In Federal Pell Grant and Federal Supplemental Educational Opportunity Grant (SEOG) terminology, a postsecondary-education student who does not have a first baccalaureate degree or a first professional degree.
Unemployed	Not working this week but available for work and having made specific efforts to get a job sometime during the past four weeks.

Unmet Need	The total student's cost of attendance (COA) at a specific school minus the student's Expected Family Contribution (EFC) and Estimated Financial Assistance (EFA). (COA - EFC - EFA = student's unmet financial need.)
Unsubsidized Federal Stafford Loan	The Unsubsidized Federal Stafford Loan Program provides loans to students who do not meet the financial-need criteria for a Federal Stafford Loan. An Unsubsidized Federal Stafford Loan may be substituted for all or part of the Expected Family Contribution (EFC) and is referred to as a "non-need-based" loan. These loans may be borrowed by undergraduate, graduate, and professional students. See also *Federal Stafford Loan (subsidized).*
Untaxed Income	Income (earnings) or resources that are not subject to federal tax and are not reported on a tax form. Examples of untaxed income are welfare benefits, child support, interest on tax-free bonds, some Social Security benefits, certain unemployment compensation, and military and other subsistence and quarters allowances.
Update Requirement	Required notification to ED of a change in the information originally reported on an aid application. Updates are required for changes in household size, number of family members enrolled in postsecondary education, and dependency status. If the numbers in these items change, it might cause a significant change in a student's Expected Family Contribution (EFC).
Validity	The research design permits generalizations/inferences to some relevant population (i.e., entire Title IV recipient population) beyond the group (i.e., the QAP sampled students) used in the evaluation itself.
Verification	The technical and administrative procedures for detecting and resolving inaccuracies in the data a student (and family) supplied on the Free Application for Federal Student Aid (FAFSA) when applying for Title IV aid. ED publishes a *Verification Guide* each year that details verification guidelines and procedures. See also *Conflicting Information and Edit Checking.*
Verification Items	Specific student (and family) applicant information that must be checked for accuracy during the Title IV verification process. Verification may extend to other items on the Free Application for Federal Student Aid (FAFSA) at the discretion of the financial aid administrator. See also *Conflicting Information* and *Verification.*

Verification Worksheet	An ED worksheet/form issued to a student who applied for federal financial aid using the Free Application for Federal Student Aid (FAFSA) and whose FAFSA was selected by the Central Processing System (CPS), or at the discretion of the financial aid administrator, for verification. The worksheet notes additional documents the applicant needs to submit to complete the verification process.
Vocational Schools*	There were four types of eligible institutions (to receive Title IV federal student financial aid) prior to 1992. As a result of the 1992 reauthorization of the Higher Education Act (HEA), there now are only three types of eligible institutions: institutions of higher education; proprietary institutions of higher education; and postsecondary vocational institutions. (*This term is no longer in use; it is provided for your background information.)
William D. Ford Federal Direct Student Loan Program	A federal program where the U.S. government provides the following four types of education loans to student and parent borrowers directly through institutions: • Subsidized Federal Direct Stafford Loan; • Federal Direct Unsubsidized Stafford Loan; • Federal Direct PLUS [parent] Loan; and • Federal Direct Consolidation Loan. See individual loan names.

APPENDIX C

ACRONYMS

AAI	Adjusted Available Income
AI	Available Income
ADC	Aid to Dependent Children
ADP	Automated Data Processing
AFDC	Aid to Families with Dependent Children
AGI	Adjusted Gross Income
APC	Adjusted Parents' Contribution
ATB	Ability to Benefit
ATI	Available Taxable Income
CB	Campus-based Programs and Campus-based Dear Colleague Letter
CFR	Code of Federal Regulations
COA	Cost of Attendance
CPS	Central Processing System
CR	Credit
CTI	Contribution from Taxable Income
DNW	Discretionary Net Worth
EA	Employment Allowance
ED	U.S. Department of Education
EDE	Electronic Data Exchange
EFA	Estimated Financial Assistance
EFC	Expected Family Contribution
EFN	Exceptional Financial Need Scholarship Program

ESAR	Electronic Student Aid Report
FAA	Financial Aid Administrator
FAF	Financial Aid Form
FAFNAR	Financial Aid Form Need Analysis Report (College Scholarship Service)
FAFSA	Free Application for Federal Student Aid
FAT	Financial Aid Transcript
FC	Family Contribution (a former term for the EFC)
FCS	Family Contribution Schedule
FFEL Program	Federal Family Education Loan Program (includes subsidized Federal Stafford, unsubsidized Federal Stafford, Federal PLUS, and Federal Consolidation Loans)
FDSL	William D. Ford Federal Direct Student Loan Program
FISAP	The Fiscal Operations Report and Application to Participate in the Federal Perkins Loan, FSEOG, and FWS Programs
FISL	Federal Insured Student Loan (no new loans are issued, but old ones are still being collected)
FSEOG	Federal Supplemental Educational Opportunity Grant (formerly SEOG)
FT	Full Time
FWS	Federal Work-Study (formerly College Work Study or CWS)
FY	Fiscal Year
GED	General Education Development (certificate)
GPA	Grade Point Average
GSL	Guaranteed Student Loan (formerly referred to a specific type of loan, now renamed Federal Stafford Loan; also formerly used as a general term for the Stafford, SLS, PLUS, and Consolidation Loan Programs, now renamed the Federal Family Education Loan Program or FFEL)
HEA	Higher Education Act of 1965, as amended
ICL	Income Contingent Loan
IMD	Institutional Monitoring Division (formerly Division of Audit and Program Review)
INS	Immigration and Naturalization Service
IPA	Income Protection Allowance
IRA	Individual Retirement Account
IRS	Internal Revenue Service

NPRM	Notice of Proposed Rulemaking
NRM	Negotiated Rulemaking
NSLDS	National Student Loan Data System
NSSP	National Science Scholars Program
OPE	Office of Postsecondary Education
PAIS	Performance and Accountability Improvement Staff
PAN	Payee Account Number
PLUS	Parent Loans for Undergraduate Students (used only as an acronym)
QA	Quality Assurance
QAP	Quality Assurance Program
QC	Quality Control
SAP	Satisfactory Academic Progress
SAR	Student Aid Report
SEP	Statement of Educational Purpose
SNT	Simplified Needs Test
SOA	Statement of Account
SSCR	Student Status Confirmation Report
SSCS	Selective Service Compliance Statement
SSIG	State Student Incentive Grant
SSN	Social Security Number

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❖ APPENDIX D

QUALITY ASSURANCE PROGRAM
RECOGNITION AND AWARDS PROGRAM GUIDELINES
19___ - 19___

INSTITUTIONAL MODEL OF QUALITY AWARD

PURPOSE

To recognize an institution, currently participating in the Quality Assurance Program (QAP), for its outstanding contributions to quality improvements; exemplary quality assurance practices; and achievements in reducing QA Readings. This award identifies and promotes an institution's strong quality program which has resulted in effective and measurable quality improvements. This award is given in recognition of significant contributions and accomplishments that exceed the minimum performance requirements of the Program.

DESCRIPTION

A non-monetary award presented to one (1) institution currently participating in the Quality Assurance Program. The recipient will receive an award symbolic of this achievement.

TIME AND PLACE OF PRESENTATION

Formal presentation of the award will be made by the prior year's recipient (Chairperson of the Selection Committee) or designee at the annual National Association of Student Financial Aid Administrators (NASFAA) Annual Conference, usually held in July.

ELIGIBILITY CRITERIA

To be eligible for consideration for the Institutional Model of Quality Award, an institution currently participating in the Quality Assurance Program must have fulfilled these minimum requirements during the performance period.

1. Developed a complete plan for quality improvements;
2. Measurement system and database is fully operational and complete and produces *valid data* for QA Readings;
3. Determined probable causes of QA Readings and selected appropriate quality improvements;
4. Developed a comprehensive plan for implementing quality improvements; and has implemented quality improvements to achieve identified objectives;
5. Identified additional areas for quality improvement (if appropriate);
6. Identified causes and selected appropriate quality improvements for additional areas;
7. Developed a comprehensive plan for implementing quality improvements for additional areas; and
8. Must have completed all Program activities for the past three consecutive years (e.g., submitted QA Annual Measurement Diskettes and Mid- and End-of-Year Reports, and so on) on time.

After receiving the Institutional Model of Quality Award, the recipient:

1. Agrees to prepare/publish articles about success and benefits of participating in the Quality Assurance Program.
2. Agrees to make a presentation at least one (1) QAP Training Workshop concerning how the institution achieved Model status.

SELECTION CRITERIA

In addition to meeting basic QA Program and reporting requirements, the nominee must demonstrate a commitment to quality in the following areas:

	MAXIMUM POINTS
1. Top Management Leadership and Support	20
2. Quality Improvement Planning	15
3. Employee Training and Recognition	15
4. Employee Empowerment and Teamwork	15
5. Focus on the Customer	40
6. Measurement and Analysis	15
7. Quality Assurance	30
8. Quality and Productivity Improvement Results	50
Total:	200

Note: A score in the 80 to 100 percent range means that the institution has achieved a "world class" standard and has a quality culture which is pervasive throughout the institution with visible top management commitment.

A score in the 40 to 60 percent range means that the institution has implemented credible quality improvement processes yielding measurable improvement results. Some offices other than the financial office itself are involved in a coordinated improvement process.

A score in the 0 to 20 percent range means that the institution is in the beginning stages of implementing Total Quality Management (TQM) within the financial aid office.

DUTIES AND RESPONSIBILITIES OF SELECTION COMMITTEE CHAIRPERSON

1. The Financial Aid Director, or designee representing the institution that received the Model of Quality Award the prior year, shall serve as Chairperson of the Selection Committee for the year in which the award is given.

2. The Selection Committee Chairperson shall coordinate assignments and conduct follow up with Selection Committee members.

3. The Selection Committee Chairperson shall serve as facilitator during conference calls.

4. The Selection Committee Chairperson shall submit the name of the Institutional Model of Quality Award recipient to:

   Sharyn Plunkett, Program Analyst
   U.S. Department of Education
   Performance & Accountability
   Improvement Staff, IPOS/OPE
   ROB-3, Room 3023
   600 Independence Avenue, S.W.
   Washington, DC 20202-5232

SELECTION COMMITTEE

The Selection Committee shall consist of not more than five (5) institutional representatives and one (1) QAP team (federal) representative.

If feasible, committee membership shall represent the QAP by types of institution, size, geographical area, and so on, to the extent possible.

Members shall be appointed by the Selection Committee Chairperson or persons may volunteer to serve.

The Committee members must be excused from considering an application from his/her institution.

DUTIES AND RESPONSIBILITIES OF SELECTION COMMITTEE

1. Each member shall independently review and evaluate each nomination submitted for the Institutional Model of Quality Award and Individual Peer Recognition Award.
2. The Selection Committee shall use the established criteria to evaluate and rate each nomination. The evaluator will be expected to provide written strengths and weaknesses for each nomination.
3. Each member is expected to complete his/her review of nominations within the specified timeframe.
4. As a group, the Committee shall discuss (via telephone conference call or other means as may be determined) the final slate of nominees.
5. The Selection Committee shall determine the candidate most deserving of this award based on the final rating.
6. Each member shall mail or fax the nominations and supporting documentation to the Selection Committee Chairperson.

NOMINEE:

1. TOP MANAGEMENT LEADERSHIP AND SUPPORT

This category examines how all levels of senior management create and sustain a clear and visible quality value system, along with a supporting management system, to guide all activities of the office.

Some examples:

- Financial Aid Director is personally and visibly involved in the management of the QAP (i.e., develops and maintains a customer focus and an environment for quality performance improvement);
- Financial Aid Director supports the QAP by encouraging cross-organizational problem-solving teams which draw upon the resources of other areas and strengthen the communications link among those within and outside of the financial aid office;
- Financial Aid Director makes the necessary resources (e.g., staff, computer capabilities, funds to attend annual QAP training workshops, and so on) available to support the QAP;
- Financial Aid Director promotes and supports the expansion of the QAP theory and methodology beyond the financial aid office;
- Financial Aid Director builds and maintains an environment for excellence conducive to full participation and organizational growth; and
- Senior institutional managers promote and support the expanded application of quality methods beyond the financial aid office, through visible and personal involvement in the development of an effective quality culture.

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NOMINEE:

2. QUALITY IMPROVEMENT PLANNING

This category examines the extent to which quality considerations are integrated into the overall planning process.

Some examples:

- Financial Aid Office has short and long-term plans for quality improvement. Counselors and other staff participate in the planning process;
- Internal (FAO staff, Bursar, Registrar, Admissions, and so on) and external (students, parents, and so on) customer needs are considered in the planning process to improve existing products and services;
- Data, information, and analyses (e.g., customer requirements, process capabilities [computer system limitations, award formulas, MDE capabilities, and so on]; supplier data; and benchmark data) are used in the planning process; and
- Financial Aid Office's quality improvement goals are considered in institution-wide planning and budgeting (i.e., resources are committed to meet the plan requirements).

NOMINEE:

3. EMPLOYEE TRAINING AND RECOGNITION

This category examines the organization's efforts to develop and utilize the full potential of the workforce for quality improvement and personal and organizational growth, as well as its efforts to use rewards and incentives to recognize employees who improve quality and productivity.

Some examples:

- The institution has an ongoing, comprehensive training program, including training in quality improvement strategies and techniques, established for financial aid office staff;
- Training plan under development. Most employees trained in problem solving to support continuous improvement; ongoing training in technical skills offered;
- Financial Aid Director, and others, are trained in support of continuous improvement and quality management techniques; total quality management (TQM) awareness; and technical job skills;
- Staff training plans are clearly linked to institutional long range plans; training needs are routinely assessed in a structured manner;
- Financial Aid Director evaluates and improves the effectiveness of its quality and related education and training for the financial aid staff;
- A formal process is in place to evaluate and recognize employee contributions to the financial aid office's quality and performance objectives;
- A broad-based rewards and recognition program is in place and encompasses all levels of the financial aid office;
- An employee feedback system is made part of the rewards and recognition program;
- The performance and recognition program recognizes accomplishments of individuals as well as teams; and
- A peer recognition program is in place.

NOMINEE:

4. EMPLOYEE EMPOWERMENT AND TEAMWORK

This category examines the effectiveness and thoroughness of employee involvement in quality improvement efforts.

Some examples:

- Management practices and specific mechanisms are used to promote staff contributions and involvement in the financial aid office's overall quality improvement program;
- All financial aid staff are encouraged to participate in quality improvement activities;
- Teams are established to develop a quality improvement program which addresses problems or weaknesses identified through the QAP Annual Measurement Task;
- Cross-organizational teams, involving offices outside the financial aid office, are established to develop and implement quality improvements;
- Teams are generally empowered to implement solutions which they have identified;
- Suppliers and customers (i.e., financial aid processors, lenders, guarantee agencies, students, and so on) are routinely involved in the team improvement process; teams actively solicit information (i.e., survey questionnaire or other means) from customers and suppliers;
- Most employees feel "ownership" of quality improvement, exhibit personal pride in quality of work; and
- Majority of supervisors support employee involvement, contribution, teamwork; and trust/respect between management and employees is growing.

NOMINEE:

5. FOCUS ON THE CUSTOMER

This category examines the organization's overall customer service systems, knowledge of the customer, responsiveness and ability to meet customer requirements and expectations.

Some examples:

- Financial aid office customers (internal and external, e.g., students, parents, other institutional offices, state and federal governments, and so on) are identified and customer feedback is periodically solicited;
- Customer requirements and levels of satisfaction are periodically measured and documented and information gathered is used to improve office practices;
- Customer expectations and needs are routinely communicated to financial aid office staff;
- Organizational measures and service standards are derived, to a significant degree, from customer requirements and expectations;
- Customer feedback (i.e., comments, suggestions, compliments and complaints) is sought for improvement through a variety of formal and informal means; and
- Processes are in place to communicate with customers and provide easy access to required information.

NOMINEE:

6. MEASUREMENT AND ANALYSIS

This category examines the scope, validity, use, and management of data and information that underlies the organization's quality improvement system and how the data are used to improve processes and services.

Some examples:

- Financial aid staff employ a structured process for analyzing QAP annual measurement data and developing quality improvements;
- Quality, timeliness, and other data are collected from major customer/suppliers and employed to evaluate and improve most products and services;
- Student and/or institutional data in addition to the required QAP annual measurement data elements are routinely collected and used to measure quality;
- Checks are made and processes are in place to ensure the validity of quality data;
- Most work units or groups within the financial aid office use quality measures to assess their effectiveness in meeting customer expectations, and to identify problems and solutions;
- Information collected is usually complete, accurate, timely, and useful; and
- Some benchmark data is used for comparative analysis.

NOMINEE:

7. QUALITY ASSURANCE

This category examines the systematic approaches used by the organization for total quality assurance of products and services, and the integration of quality assurance with continuous quality improvement.

Some examples:

- Financial aid office operations are enhanced through the development of innovative, proactive practices and procedures designed to prevent quality problems; methods used to assure quality generally emphasize prevention rather than defection/inspection;
- Product or service-related standards are established for many aid office functions;
- Products and services are verified to meet customer needs and expectations; and
- Financial aid office quality assurance and control processes are reviewed and assessed regularly to assure and improve their effectiveness.

NOMINEE:

8. QUALITY AND PRODUCTIVITY IMPROVEMENT RESULTS

This category examines the measurable and verifiable results of the organization's quality improvement practices. Data tables and graphs summarizing trends and achievement should be utilized as much as possible.

Some examples:

- Accuracy rates for student and/or institutional data elements, as measured through the QAP annual measurement software, have shown upward trends over time;
- Reductions in QA Readings or maintenance of low QA Readings are documented;
- Other quality indicators (e.g., customer satisfaction indicators) have shown improvement over time;
- Improvements in aid office productivity and service are documented;
- Results are related to TQM approach; and
- Results contribute to meeting the institution and financial aid office's mission.

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GENERAL INSTRUCTIONS

1. An institution may nominate itself or nominate another participating institution for the Institutional Model of Quality Award. An institution may make only one nomination.
2. Nominator must complete the attached Institutional Model of Quality Award Nomination Form.
3. Nominator must prepare a narrative statement which cites clearly, specific examples of accomplishments and contributions for each selection criteria.
4. The narrative statement must be typewritten, not to exceed ten (10) pages and accompanied by applicable supporting documentation.
5. Nominations must be mailed to:

Sharyn Plunkett, Program Analyst
U.S. Department of Education
Performance & Accountability
Improvement Staff, IPOS/OPE
ROB-3, Room 3023
600 Independence Avenue, S.W.
Washington, DC 20202-5232

6. Nominations must be postmarked by ______________________.
7. For further information, contact Sharyn Plunkett at (202) 708-8443.

INSTITUTIONAL MODEL OF QUALITY AWARD
NOMINATION FORM
19___ - 19___

Please complete the following information. ***(Please print or type.)***

NOMINEE'S NAME AND ADDRESS:

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____

____

NOMINATOR'S NAME AND ADDRESS:

____

____

____

Attach the narrative statement and any supporting documentation to this form.

______________________________ ____________

Nominator's Signature *Date*

Mail this form, narrative statement, and supporting documentation to the following address:

Sharyn Plunkett, Program Analyst
U.S. Department of Education
Performance & Accountability
Improvement Staff, IPOS/OPE
ROB-3, Room 3023
600 Independence Avenue, S.W.
Washington, DC 20202-5232

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QUALITY ASSURANCE PROGRAM
RECOGNITION AND AWARDS PROGRAM
19___ - 19___

TITLE OF AWARD: LEADERSHIP AWARD

PURPOSE

Individual(s) receiving this award is recognized for distinguished leadership and outstanding contributions to the Quality Assurance Program (QAP).

DESCRIPTION

The recipient(s) of the Leadership Award will receive a plaque in honor of this achievement.

ELIGIBILITY

Individual(s) must have participated in the Quality Assurance Program during the year in which the award is given.

SELECTION CRITERIA

1. Individual(s) must have demonstrated consistent leadership and support in at least three of the following areas:

    a. exemplified a commitment to quality;

    b. encouraged and promoted the concept of team excellence;

    c. encouraged others to work toward the advancement of the Quality Assurance Program's mission and goals;

    d. provided guidance and sets a positive example in problem-solving and quality improvement;

    e. served as QAP workshop trainer/facilitator;

    f. served as a tester for the QAP Software;

    g. served on quality assurance panels at national, state, or regional student financial aid conferences that promote the QAP; or

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h. prepared written reports, news articles, or letters promoting and describing the benefits of the QAP.

2. Individuals must have provided technical assistance and support to colleagues at the same institution or a different institution in the Program.

3. Operated an exemplary quality improvement program at his/her institution.

TITLE OF AWARD: INDIVIDUAL RECOGNITION FOR THE ADVANCEMENT OF QUALITY IMPROVEMENT AWARD

PURPOSE

Recipient(s) of this award is being recognized for his/her individual initiative and contribution to the advancement of the quality improvement principles within the Program, the student financial aid community, and beyond.

DESCRIPTION

The recipient(s) of the Individual Recognition for the Advancement of Quality Improvement Award will receive a certificate in honor of this achievement.

ELIGIBILITY

Individual(s) must have participated in the Quality Assurance Program during the year in which the award is given.

SELECTION CRITERIA

1. Individual(s) must have served an active role on either a task force(s), committee(s), or special project(s), and so on concerned with a specific quality improvement issue.

2. Individual contributions have been significant and instrumental in the advancement, continuation, enhancement, and understanding of the importance of quality in the delivery of student financial aid.

TITLE OF AWARD: INSTITUTIONAL ACHIEVEMENT AWARD

PURPOSE

Institutions receiving this award are recognized for the combined efforts of their Quality Assurance Team in successfully conducting the quality assurance activities under the Quality Assurance Program.

DESCRIPTION

The recipients of the Institutional Achievement Award will receive a certificate in honor of this achievement.

ELIGIBILITY

Institutions must have participated in the Quality Assurance Program, at the continuing-year level, during the year in which the award is given. Only continuing-year institutions are eligible to receive this award.

SELECTION CRITERIA

1. Institutions must have completed the *Workbook* activities for continuing-year participation, as demonstrated in the End-of-Year Report for the prior year and the Mid- and End-of-Year Reports for the year in which the award is given.

2. The End-of-Year Report from the prior year, and the Mid- and End-of-Year Reports for the year in which the award is given have been submitted within the required timeframe, are complete with Narrative Statements, and are clear and concise.

3. The prior year's Quality Assurance Annual Measurement diskette has been submitted according to the program schedule or revised schedule.

TITLE OF AWARD: INDIVIDUAL PEER RECOGNITION AWARD

PURPOSE

To recognize an individual(s) who actively participates on a Quality Assurance Program (QAP) team; exhibits high standards of performance; provides encouragement and assistance to colleagues; and who exhibits special qualities that have helped to strengthen the confidence and abilities of others to become successful in the QAP.

DESCRIPTION

A non-monetary award presented to an individual or individuals deserving special recognition for special accomplishments. The recipient(s) of this award will receive a certificate in honor of this achievement. The recipient of this award, like the Institutional Model of Quality Award, will be nominated by their peers and evaluated and rated by the Selection Committee.

TIME AND PLACE OF PRESENTATION

The Award will be presented to the recipient(s) at the Quality Assurance Program's Recognition and Awards Program Reception during the National Association of Financial Aid Administrators (NASFAA) Annual Conference, usually held in July.

ELIGIBILITY

Individual(s) currently participating in the Quality Assurance Program are eligible. More than one individual may receive this award. There is no restriction on the number of times an individual may receive this award.

SELECTION CRITERIA FOR THE INDIVIDUAL PEER RECOGNITION AWARD

The nominee must meet *all* of the following criteria:

		MAXIMUM POINTS
1.	Exemplifies a commitment to quality;	15
2.	Encourages and promotes the concept of teams and actively participates on a team;	20
3.	Encourages others to work toward the advancement of the Quality Assurance Program's mission and goals;	20
4.	Provides guidance and sets a positive example in problem-solving and quality improvement;	15
5.	Gives freely of his or her time to share helpful information and explain the concept and methodology of quality assurance with other institutions;	10
6.	Establishes ongoing communication among colleagues about quality assurance activities; and consistently reaches out to colleagues by providing technical assistance and sharing ideas whether called upon or not; and	10
7.	Shows concern for others by his/her continuous efforts to help others improve their quality assurance programs.	10
	Total:	**100**

GENERAL INSTRUCTIONS

1. Nominator must complete the Individual Peer Recognition Award Nomination Form. Only one nomination per person will be accepted.

2. Nominator must prepare a narrative statement, not to exceed five (5) typewritten pages.

3. The narrative statement must cite specific examples for each selection criteria.

4. Attach applicable supporting documentation to the narrative statement.

5. Mail nomination to:

Sharyn Plunkett, Program Analyst
U.S. Department of Education
Performance & Accountability
Improvement Staff, IPOS/OPE
ROB-3, Room 3023
600 Independence Avenue, S.W.
Washington, DC 20202-5232

6. Nomination must be postmarked by ________________________.

7. If you have any questions, call Sharyn Plunkett on (202) 708-8443.

INDIVIDUAL PEER RECOGNITION AWARD NOMINATION FORM
19___ - 19___

Please complete the following information. ***(Please print or type.)***

NOMINEE'S NAME AND ADDRESS:

NOMINATOR'S NAME AND ADDRESS:

Attach the narrative statement and any supporting documentation to this form.

Nominator's Signature *Date*

Mail this form, narrative statement, and applicable supporting documentation to:

Sharyn Plunkett, Program Analyst
U.S. Department of Education
Performance & Accountability
Improvement Staff, IPOS/OPE
ROB-3, Room 3023
600 Independence Avenue, S.W.
Washington, DC 20202-5232

❖ APPENDIX E

QAP WORKBOOK WORKSHEETS

WORKSHEET MA-1
SCHEDULE OF ACTIVITIES FOR THE MANAGEMENT ASSESSMENT TASK[1]

Management Assessment Activity	Suggested Date for Successful Implementation	Staff Responsible/ Team Member	Date Completed (Actual)
Select team members to complete MA activities.	No later than October 1.		
Complete Worksheet MA-1: Schedule of Activities for the Management Assessment Task.	No later than October 1.		
Complete Worksheet MA-2: Develop a Flowchart of Procedures Used to Deliver Aid.	Initiate by October 1.		
Complete Activity Three: Complete the Management Assessment Worksheet (MA-3a or b and c).	Complete no later than August 15. Submit with End-of-Year Report.		

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[1] Make a copy of this Worksheet for each team member responsible for completing Management Assessment activities. Post one copy in the office, and place the original schedule in your master QAP File.

COMPREHENSIVE TITLE IV-WIDE MANAGEMENT ASSESSMENT WORKSHEET

AREA A. INSTITUTIONAL PARTICIPATION

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Determining Institutional and Program Eligibility				
1a. Is your institution currently accredited by a nationally recognized accrediting agency that is approved by the Secretary?				
1b. Are all the programs for which federal aid is offered included in that accreditation?				
2a. Is your institution currently licensed to operate within a state in accordance with §600.4 - 600.7?				
2b. Are all of the programs for which federal aid is offered included in that approval?				
3. Has your institution ensured that it is operating in accordance with the provisions stipulated in the signed Program Participation Agreement? (HEA 1992 and §668.12)				
4. Can your institution ensure that it awards financial aid only to students enrolled in courses meeting the requirements of an eligible program?				
5. Does your institution confirm, on an annual basis, that the duration of your academic year meets the minimum requirements defined by the Secretary? (HEA 1992)				
6. If your institution does not offer a 2-year associate or 4-year bachelor degree program, have you determined that no more than 50 percent of your students were admitted under the Ability to Benefit (ATB) provisions? (HEA 1992 §484(d))				

* Near-term = Implement within one year
** Long-term = Implementation will require more than one year

COMPREHENSIVE TITLE IV-WIDE MANAGEMENT ASSESSMENT WORKSHEET

AREA A. INSTITUTIONAL PARTICIPATION (continued)

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Determining Institutional and Program Eligibility (continued) 7a. For all students in a given course of study, does your institution use the same academic year definition?				
7b. Does each such definition incorporate at least 30 weeks? (HEA 1992)				
8. If your institution offers educational programs at locations other than your main campus, does it have written confirmation from ED's Institutional Participation Division as evidence of approval for Title IV funding? (§600.21)				
9. If your institution offers courses by correspondence, has it determined that no more than 50 percent of its courses are offered by correspondence or that no more than 50 percent of its students are enrolled in correspondence courses?				
10. If your institution offers programs to incarcerated students, has it determined that no more than 25 percent of its enrolled students are incarcerated or has it received a waiver of this prohibition from the Secretary? (HEA 1992)				
Coordinating Major Financial Aid Responsibilities 11. Has the financial aid office or another entity within the institution been designated to coordinate all sources of assistance offered to students throughout your institution?				
12. Has your institution designated an adequate number of trained, capable personnel to administer the student financial aid programs? (§668.14)				

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* Near-term = Implement within one year

** Long-term = Implementation will require more than one year

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COMPREHENSIVE TITLE IV-WIDE
MANAGEMENT ASSESSMENT WORKSHEET

AREA A. INSTITUTIONAL PARTICIPATION (continued)

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Coordinating Major Financial Aid Responsibilities (continued) 13. Does your institution have a system to coordinate all information relating to students' eligibility to participate in the Title IV programs?				
14. Does your institution have valid consortium agreements that contain all required provisions for all applicable students? (§600.9)				
15a. Does your institution monitor the default rates under the Perkins and Part B Loan programs?				
15b. Does it initiate action if those rates approach 20 percent? (§668.17)				
16a. Does your institution have a plan for default management?				
16b. Is the plan being implemented in all respects?				
17a. Is there an office responsible for calculating and monitoring the institution's student withdrawal rate?				
17b. Is there an office initiating appropriate action if that rate approaches 33 percent? (§668.16)				
18a. Has the institution identified all campus offices involved in the delivery of student aid?				
18b. Has your institution assigned responsibility for implementing, prior to and during academic year 1994-95, a quality assurance system that will satisfy ED requirements? (§454(a)(5) HEA 1992)				

* Near-term = Implement within one year
** Long-term = Implementation will require more than one year

COMPREHENSIVE TITLE IV-WIDE
MANAGEMENT ASSESSMENT WORKSHEET

AREA A. INSTITUTIONAL PARTICIPATION (continued)

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Disclosing Information on Title IV Participation (continued) 19. Does your institution publish all of the consumer information required by §668.43 and 668.44?				
20. Does your institution routinely make available the written consumer information and disclosures to all current and prospective students? (§668.41 and 668.42)				
21. Are the Satisfactory Academic Progress (SAP) standards and procedures by which a student who has failed to maintain progress and who may re-establish eligibility for Title IV assistance published and readily available to all students? (§668.16)				
22a. Does your institution have a standard of Satisfactory Academic Progress (SAP) that contains all of the elements required under §668.16?				
22b. Can the SAP standard be easily applied?				
22c. Is the standard clear enough to be understood by your staff and students?				

* Near-term = Implement within one year
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COMPREHENSIVE TITLE IV-WIDE MANAGEMENT ASSESSMENT WORKSHEET

AREA B. FISCAL MANAGEMENT

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Establishing Accounting Systems 1. Does your institution have a system to ensure that federal funds are used only for program purposes?				
2a. Has your institution reviewed its debtor position to determine if it meets all of the standards for financial capability (§668.15)?				
2b. Is your institution in compliance with §453(c)(2)(G) HEA 1992?				
3. Are separate offices and individuals responsible for awarding aid and disbursing funds?				
4. Does your institution have standard procedures to ensure that it accounts accurately for the receipt and disbursement of all aid funds?				
5. Does your institution ensure that it only draws down funds to be disbursed within the time frame prescribed by the system you are using?				
6. Does your system allow you to identify by program the amount of federal cash at your institution at any given time?				
7. Can your institution ensure that it does not charge fees of any kind to promote, originate, or administer federal aid programs? (§454(a)(6) HEA 1992)				
Coordinating Program-Specific Funds 8a. Does your institution monitor authorization amounts?				
8b. Does your institution ensure that cash draws and expenditures are within those authorizations?				

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* Near-term = Implement within one year

** Long-term = Implementation will require more than one year

COMPREHENSIVE TITLE IV-WIDE
MANAGEMENT ASSESSMENT WORKSHEET

AREA B. FISCAL MANAGEMENT (continued)

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Coordinating Program-Specific Funds (continued) 9. Are federal funds deposited into accounts that are properly established and identified for this purpose?				
10. Does your institution properly calculate its Administrative Cost Allowance under the Campus-based programs?				
11a. Does your institution have a system to ensure that it is contributing the correct institutional match of program funds toward Campus-based disbursements?				
11b. Is the institutional share being provided within the appropriate time frames?				
12a. Are all fund transfers within the Campus-based programs within the allowable award year?				
12b. Are all fund transfers within the Campus-based programs within the program limits?				
Ensuring Adequate Auditing Practices 13a. Does your institution have a procedure to ensure that your Title IV programs are audited annually by an independent agent?				
13b. Does your institution have a procedure to ensure that the audit report is submitted to ED within the appropriate time frame?				
14. Does your institution maintain an accessible audit trail for each transaction, allowing you to trace easily financial data that identify individual student disbursements and total aid awarded?				

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* Near-term = Implement within one year

** Long-term = Implementation will require more than one year

COMPREHENSIVE TITLE IV-WIDE
MANAGEMENT ASSESSMENT WORKSHEET

AREA B. FISCAL MANAGEMENT (continued)

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Ensuring Adequate Auditing Practices (continued) 15. Does your institution's system reconcile all activity that occurs during a 30-day period, before the following 30-day period?				
16a. Does your system easily identify excess cash (including interest earned on federal funds)?				
16b. Does your system routinely and promptly return funds to program accounts or to the appropriate federal department?				

* Near-term = Implement within one year
** Long-term = Implementation will require more than one year

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COMPREHENSIVE TITLE IV-WIDE MANAGEMENT ASSESSMENT WORKSHEET

AREA C. RECIPIENT ELIGIBILITY

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Evaluating Student Eligibility 1. Does your institution have a system to verify that financial aid recipients meet all eligibility requirements in accordance with §668.7 of the Student Assistance General Provisions?				
2. Does your institution have a system to ensure that all financial aid recipients possess a high school diploma or equivalent or demonstrate the Ability to Benefit (ATB) from the training provided? (§668.7 and HEA 1992)				
3. Does your institution have a system to ensure aid is provided only to regular students (enrolled for the purpose of receiving a degree or certificate) unless exempted by the Higher Education Technical Amendments (HETA) or HEA 1992? (§668.7)				
4a. Does your institution have a policy for granting "leaves of absence"?				
4b. If so, is there a procedure for determining if a student returns from leave? (§682.605)				
5a. Does your institution have a system to ensure that Title IV aid is provided only to students in an eligible citizenship category?				
5b. Does your institution identify eligible non-citizens for whom documentation is required? (§668.7)				
Collecting Required Documentation and Verifying Data 6. Does your institution collect and maintain the data relevant to each student's application for federal aid (e.g., SAR, ESAR, ISIR, tax returns.)?				

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* Near-term = Implement within one year
** Long-term = Implementation will require more than one year

COMPREHENSIVE TITLE IV-WIDE MANAGEMENT ASSESSMENT WORKSHEET

AREA C. RECIPIENT ELIGIBILITY (continued)

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Collecting Required Documentation and Verifying Data (continued) 7. Does your institution have a system for collecting all required student certifications and statements?				
8a. Does your institution have a system to identify the need for all required financial aid transcripts (FATs) for students who attended a prior postsecondary institution? (§668.19)				
8b. Does your institution track the collection of all FATs?				
9. Does your institution have a system for identifying and resolving conflicting applicant information in accordance with §668.14?				
10. Is your institution in compliance with all applicable verification regulations found in §668.53-668.60?				
Determining Cost of Attendance 11. Has your institution determined proper budgets or cost of attendance (COA) to use in determining students' need for federal aid programs? (HEA of 1992)				
12. Are costs of attendance properly calculated (i.e., prorated based on academic year length when necessary, and, if appropriate, adjusted for students studying abroad, incarcerated, or enrolled in correspondence courses)?				
13. Does your institution have a policy that ensures COAs are determined based on costs associated with credit — clock hours and costs associated with weeks of instructional time, and are prorated based on full-time, full-year costs?				

* Near-term = Implement within one year

** Long-term = Implementation will require more than one year

COMPREHENSIVE TITLE IV-WIDE
MANAGEMENT ASSESSMENT WORKSHEET

AREA D. AWARD CALCULATION AND DISBURSEMENT

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Disbursing Pell Grants				
1. Does your institution have a procedure to ensure that Federal Pell Grant disbursement amounts are calculated based on incorporating the 30-week minimum academic year and standards for weeks of instructional time and credit — clock hours earned? (HEA 1992)				
2. Does your institution use a nine-month expected family contribution (EFC) to determine a student's Federal Pell Grant?				
3. Does your institution have a system to ensure receipt of a valid SAR, ESAR, or official EFC on roster or tape (ISIR), while a student is still enrolled and eligible?				
4. Does your institution ensure that all Electronic SARs are signed by all required persons and that alternate eligibility output documents are signed by the student, to attest that the information reported has been reviewed and is accurate?				
5. Does your institution schedule Federal Pell Grant disbursements often enough so that no one disbursement exceeds half of the annual award (e.g., in the case of a non-standard term that exceeds half of the academic year, at least two disbursements are scheduled during the term)?				
6. Does your institution have a system to ensure that Federal Pell Grant payments are properly reported to ED?				
7a. Does your institution have a system for monitoring student completion of the portion of a term for which she or he was initially paid?				
7b. Does your institution ensure that subsequent disbursements within the term are not made until the portion previously paid for has, in fact, been completed?				

* Near-term = Implement within one year
** Long-term = Implementation will require more than one year

COMPREHENSIVE TITLE IV-WIDE MANAGEMENT ASSESSMENT WORKSHEET

AREA D. AWARD CALCULATION AND DISBURSEMENT (continued)

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Disbursing Pell Grants (continued) 8. For non-term programs, does your institution have a system to ensure that midpoint disbursements are not made until the student has completed both the minimum weeks and clock/credit hours required in the payment period?				
9. Does your institution ensure that awards to incarcerated students, if eligible for Federal Pell Grants, are within appropriate maximums?				
Packaging Campus-based Awards 10. Does your institution make Campus-based aid reasonably available to all students (including students attending non-main campus locations) represented in your FISAP Eligible Aid Applicant Grid (Part II, Section E)?				
11. Are FSEOG funds first awarded to Federal Pell Grant eligible students with exceptional need (lowest EFC)?				
12. Are Federal Perkins Loan funds first awarded to students demonstrating exceptional need (lowest EFC)?				
13. For Federal Perkins Loan program recipients, does your institution have procedures to determine borrower eligibility for forbearance, deferment, and cancellation provisions?				
14. Does your institution have procedures to ensure that due diligence is performed in accordance with requirements of Subpart C, §674.41 - 674.50 of the Federal Perkins Loan program regulations?				
15. Does your institution have an adequate document control system to track and safeguard signed loan notes?				

* Near-term = Implement within one year
** Long-term = Implementation will require more than one year

COMPREHENSIVE TITLE IV-WIDE MANAGEMENT ASSESSMENT WORKSHEET

AREA D. AWARD CALCULATION AND DISBURSEMENT (continued)

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Packaging Campus-based Awards (continued) 16a. Does your institution have a system to monitor Federal Work-Study (FWS) earnings?				
16b. Does your institution have a system to adjust subsequent awards or disbursements as necessary?				
17. Does your institution pay FWS earnings at least monthly?				
18. Does your institution have procedures to ensure that at least 5 percent of your FWS funds are paid to students in service to the community?				
Providing Federal Family Education Loans (FFEL) 19. Does your system ensure that information provided and certified on student loan applications is accurate and complete?				
20. Does your institution determine a student's eligibility for a Federal Pell Grant prior to certifying him or her for an FFEL loan?				
21. Prior to certifying an unsubsidized Federal Stafford loan for a student, do you determine eligibility for a subsidized loan?				
22. Does your institution have standard procedures to notify a student in writing, should you decline to certify a loan?				
23. Does your institution have a system to ensure that the first payment of a Federal Stafford loan or an Unsubsidized Federal Stafford loan made to a first-year, first-time undergraduate student is not released until the borrower has completed the first 30 days of his/her program of study?				

* Near-term = Implement within one year

** Long-term = Implementation will require more than one year

COMPREHENSIVE TITLE IV-WIDE
MANAGEMENT ASSESSMENT WORKSHEET

AREA D. AWARD CALCULATION AND DISBURSEMENT (continued)

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Providing Federal Family Education Loans (FFEL) (continued) 24. Does your institution have a procedure for ensuring that students are provided with all of the information stipulated in the entrance and exit interview requirements of the federal loan programs? (§682.604)				
25. During exit counseling, does your institution have a procedure to ensure that you obtain required or updated information from the borrower in accordance with requirements stipulated in the HEA of 1992?				
26. Does your institution have a procedure established so that students may obtain loans under any state-sponsored or private loan program to offset the EFC? (§454(a)(1)(b) HEA)				
Awarding and Disbursing Direct Loan (FDSL) Institutions Only 27. Has your institution defined financial aid awarding procedures for use during the current academic year for student and parent borrowers? (§454(a)(4) HEA 1992)				
28. Has your institution established disbursement procedures for Direct Loans as required by §455(j) of the 1992 HEA as amended?				
29. Does your institution have a system to ensure that a properly executed promissory note is obtained from a Direct Loan borrower prior to releasing any loan proceeds to the student?				
30. Has your institution identified the appropriate level and type of automation to best meet its needs in administering the Direct Loan program?				
31. If you do not originate loans under the Direct Loan program, have you assigned responsibility and defined procedures for forwarding to ED all student eligibility data needed for alternative loan origination? (§454(a)(1)(E) HEA 1992)				

* Near-term = Implement within one year
** Long-term = Implementation will require more than one year

COMPREHENSIVE TITLE IV-WIDE
MANAGEMENT ASSESSMENT WORKSHEET

AREA E. REPORTING AND RECONCILIATION

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Adjusting Awards 1. Does your institution have standard procedures for adjusting disbursements as necessary as a result of verifying data, resolving conflicts, changes in student status, or receipt of additional aid?				
2a. When a student's projected enrollment status changes, does your institution have a policy to determine whether the Federal Pell Grant award must be recalculated taking into consideration changes in COA?				
2b. Is this policy consistently applied to all students?				
3a. Does your institution have standard procedures for reporting changes in awards to the student?				
3b. Does your institution have standard procedures for reporting changes in awards to the central processor?				
3c. Does your institution have standard procedures for reporting changes in awards to other institutional offices, as appropriate?				
4a. Does your institution maintain documentation of adjustments made to data elements used to calculate the cost of attendance (COA)?				
4b. Does your institution maintain documentation of adjustments made to data elements used to calculate the expected family contribution (EFC)?				
5a. Does your institution properly document, on a case-by-case basis, changes in students' dependency status?				
5b. Does your institution properly document, on a case-by-case basis, other changes involving professional judgment?				

* Near-term = Implement within one year

** Long-term = Implementation will require more than one year

COMPREHENSIVE TITLE IV-WIDE MANAGEMENT ASSESSMENT WORKSHEET

AREA E. REPORTING AND RECONCILIATION (continued)

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Adjusting Awards (continued) 6. Does your institution use a certified need analysis system to recalculate the family contribution (EFC) based on corrections or changes in data?				
Providing Title IV Refunds 7. For the purpose of refunding Title IV funds, does your institution have a procedure in place to identify students who register but never attend classes, so that financial aid that has been disbursed or credited to the students' accounts can be returned?				
8. For the purpose of determining when a refund must be paid, does your institution have a system for determining a student's last day of attendance? (§682.605)				
9. Is your institution's refund formula fair and equitable, allowing for the most beneficial treatment for students in accordance with §484(b) of the HEA?				
10. Do your institution's internal controls ensure that refund calculations are performed in a timely manner and are mathematically correct?				
11. Does your institution have a system to ensure that refunds are made within required time frames and credited to the appropriate Title IV accounts, in accordance with the refund distribution order as specified in §485 of the HEA of 1992?				
12. Does your institution have procedures to ensure that the *pro-rata* refund formula is used for all first-time students who withdraw prior to the 60 percent point in the term?				
13. Does your institution have a system for ensuring that credit balances are promptly delivered to students, unless a student has voluntarily provided written authorization to the institution to retain those funds for future charges?				

* Near-term = Implement within one year

** Long-term = Implementation will require more than one year

COMPREHENSIVE TITLE IV-WIDE MANAGEMENT ASSESSMENT WORKSHEET

AREA E. REPORTING AND RECONCILIATION (continued)

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	**No improvement action needed at this time**	**Improvement action needed**	**Near-term (N)* or Long-term (L)****
Providing Title IV Refunds (continued)				
14. Does your institution ensure, when determining the amount it is entitled to retain, that it excludes the unpaid balance owed by the student on the account, in accordance with §668.22?				
Reporting and Recordkeeping				
15a. Does your institution reconcile Title IV disbursement records (e.g., general ledger — journal of expenditures) to other data sources (e.g., authorization levels, ED PMS 272 Reports, FISAP, Student Payment Summary Reports)?				
15b. Does your institution maintain verifiable, auditable data in support of these records?				
16. Does your institution's system facilitate the timely filing of all required program reports (e.g., ED PMS 272, Pell Grant IPS, and Campus-based FISAP) and required audits and financial statements?				
17. Does your institution have a procedure to ensure that the FISAP is prepared properly and electronically submitted to ED by the stated deadline each year?				
18. Does your institution verify that accurate information on student status is reported for all borrowers to ED or the appropriate guaranty agency? (§682.610 and §454(a)(1)(E) HEA 1992)				
19. Are there standard procedures for identifying and correcting any problems in your automated systems?				
20. Are user manuals for automated systems developed and updated?				

* Near-term = Implement within one year
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COMPREHENSIVE TITLE IV-WIDE
MANAGEMENT ASSESSMENT WORKSHEET

AREA E. REPORTING AND RECONCILIATION (continued)

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	**No improvement action needed at this time**	**Improvement action needed**	**Near-term (N)* or Long-term (L)****
Reporting and Recordkeeping (continued) 21 Are all user manuals for automated systems subjected to review by potential users, to ensure that they are understandable, are easy-to-use, and address any potential problems?				
22 Does the institution's computer system identify authorized users and restrict their access to the system (i.e., by using passwords and limiting access to specific files and programs)?				

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COMPREHENSIVE TITLE IV-WIDE
MANAGEMENT ASSESSMENT WORKSHEET

AREA F. AUTOMATED PROCESSING[1]
(The term "ADP," "automated system," and "system" are used interchangeably throughout this module)

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
1. How well does the ADP system meet the needs of the users in the financial aid office?				
2. Does your ADP system have standard procedures for dealing with exceptional or problem cases?				
3. Do backlogs regularly occur when processing reports or other data needs?				
4. Does the institution have a long-range plan for increasing/improving use of automation?				
5. Is a standard systems development life cycle followed in designing computer applications to ensure that all requirements are fully met?				
6. Do you update documentation of all application software/programming?				
7a. Do you test changes in software and programming?				
7b. Do you follow standard procedures for thorough testing?				
8. Are adequate controls maintained over inputs to your system, including:				
8a. Tracking the entry of all source documents (i.e., by using pre-numbering, a log or register, or batch counts)?				
8b. Ensuring that the data entered into the system are identical to the data on the source document (i.e., by performing key entry verification)?				

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[1] These procedures are relevant primarily to mainframes or minicomputers. However, you should follow similar types of procedures to control the use of personal or microcomputers and programmable calculators. Please assess whether these controls are needed for each automated system or type of automation you use, completing a separate copy of this section for each system. If you use a centralized data processing center, involve data processing personnel in completing this worksheet.

* Near-term = Implement within one year
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COMPREHENSIVE TITLE IV-WIDE MANAGEMENT ASSESSMENT WORKSHEET

AREA F. AUTOMATED PROCESSING (continued)

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
8c. Ensuring the completeness and accuracy of the data reported on the source document (i.e., by using edits, validity tests, and reasonability tests)?				
8d. Ensuring that the use of any special transactions (i.e., those which bypass normal checks) is restricted and supervised?				
8e. Storing all source documents or microfiche copies?				
10. Are adequate controls maintained over rejected/erroneous transactions, including:				
10a. Using suspense records to track re-entry or cancellation of all previously rejected transactions?				
10b. Ensuring that all rejected transactions are corrected or canceled (i.e., by tracking and approving responses to error listings)?				
10c. Applying edits, validation, and reasonability tests to all re-entered transactions that are identical to those for initial entry?				
11. Are adequate controls maintained over outputs, including recording and checking control totals, record counts, and so on?				
12. Does your institution have adequate contingency plans, including:				
12a. Procedures for back-up processing and recovery in the event of processing interruptions or temporary shut-downs?				
12b. Procedures for developing back-up copies of all data files in case of catastrophe, and for storing them off-site?				
13. Has your institution taken steps to ensure adequate physical protection against fire, water damage, theft, and sabotage?				

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COMPREHENSIVE TITLE IV-WIDE
MANAGEMENT ASSESSMENT WORKSHEET

AREA G. ADMINISTRATIVE PRACTICES

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Institutional Policies and Procedures 1. Is your institution in compliance with applicable civil rights statutes and regulations?				
2. Is your institution in compliance with applicable NCAA requirements?				
3a. Are financial aid office (and other related offices) staff sensitive to the racial diversities of the student population?				
3b. Are financial aid office (and other related offices) staff sensitive to the ethnic diversities of the student population?				
3c. Are financial aid office (and other related offices) staff sensitive to the cultural diversities of the student population?				
3d. Are financial aid office (and other related offices) staff sensitive to the physically-challenged diversities of the student population?				
3e. Are financial aid office (and other related offices) staff sensitive to the socio-economic diversities of the student population?				
4a. Are deadlines for financial aid consideration and awarding well-publicized?				
4b. Are all application procedures and instructions communicated to students with sufficient time to permit completion of all necessary tasks?				
5. Are staff familiar with students' rights and responsibilities under the Buckley Amendment (FERPA)?				
6a. Does the Director of Financial Aid or designated institutional staff evaluate NPRMs related to student assistance programs?				
6b. Does the FAO/designee respond to these NPRMs as they are published?				

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COMPREHENSIVE TITLE IV-WIDE
MANAGEMENT ASSESSMENT WORKSHEET

AREA G. ADMINISTRATIVE PRACTICES (continued)

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Personnel and Training 7a. Does the Financial Aid Office develop written polices and procedures for all aid-related activities?				
7b. Do they update the written policies and procedures?				
8. Are all relevant personnel periodically required to review current institutional policies and procedures related to their responsibilities, as well as the relevant requirements of federal, state, and other agencies?				
9. Is training provided to all new personnel related to general office policies and procedures?				
10a. Are professional staff encouraged to attend training sessions provided by ED?				
10b. Are professional staff encouraged to attend training sessions provided by state guaranty agencies?				
10c. Are professional staff encouraged to attend training sessions provided by professional associations?				
11. Is in-service training provided to all personnel?				
12a. Are written job descriptions (including factors that will be used to evaluate performance developed for all personnel)?				
12b. Are the job descriptions updated periodically?				
13. Has the institution implemented a formal process for periodically evaluating the performance of all personnel?				
14. Are there standard procedures to ensure that staff are available as needed?				

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COMPREHENSIVE TITLE IV-WIDE MANAGEMENT ASSESSMENT WORKSHEET

AREA G. ADMINISTRATIVE PRACTICES (continued)

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Personnel and Training (continued) 15. Do financial aid staff (and other offices as relevant) meet to jointly develop a master schedule for student aid delivery, including all relevant deadlines, forecasted workloads, and person(s) responsible for each task?				
16. Is there a working relationship between financial aid office staff and the staff of other offices with related functions (e.g., do you meet or communicate regularly with representatives from the business office, registrar, and others)?				
Retaining Records and Reporting 17a. Have routine procedures been established for: Filing and storing documents?				
17b. Retrieving documents?				
17c. Copying or microfiching or imaging documents?				
17d. Purging and cleaning out or archiving files?				
18a. Does the institution follow federal requirements for archiving records?				
18b. Does it follow state requirements for archiving records?				
18c. Does it follow institutional policies for archiving records?				
19. If another office is responsible for archiving and storing financial aid records, are those records readily accessible if needed?				
20a. Are all documents routinely used by a number of people maintained in a common filing system?				

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COMPREHENSIVE TITLE IV-WIDE
MANAGEMENT ASSESSMENT WORKSHEET

AREA G. ADMINISTRATIVE PRACTICES (continued)

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Retaining Records and Reporting (continued) 20b. Is it centrally located and controlled?				
21. Are copies maintained of all reports submitted to and received from the federal Government, as well as the records and calculations upon which each submission is based?				
Space and Facilities 22. Is the financial aid office conveniently located and accessible to physically challenged students?				
23. Does the total office space and set-up enhance the function so the office (e.g., privacy for counseling).				
Administration and Management 24. Is there a system to spot-check files to ensure staff work is consistent and in compliance with all statues, regulations, and institutional policies?				
25. Does the office maintain an adequate number of forms and other supplies to avoid delays?				
26a. Are all staff required to provide reports of accomplishments during a given period?				
26b. Are all staff required to provide objectives for the upcoming period (e.g., month, quarter)?				
26c. Is this information shared with other staff?				

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CORE MANAGEMENT ASSESSMENT WORKSHEET (WORKSHEET MA-3b)

CORE MANAGEMENT
ASSESSMENT WORKSHEET

AREA A. INSTITUTIONAL PARTICIPATION

Major Functional Requirements	**Inventory of Existing Procedures**			**Timeframe**
	Not applicable at institution at this time (explain)	**No improvement action needed at this time**	**Improvement action needed**	**Near-term (N)* or Long-term (L)****
Determining Institutional and Program Eligibility 1 Has your institution ensured that it is operating in accordance with the provisions stipulated in the signed Program Participation Agreement? (HEA 1992 and §668.12)				
2. Can your institution ensure that it awards financial aid only to students enrolled in courses meeting the requirements of an eligible program?				
3. Has the financial aid office or another entity within the institution been designated to coordinate all sources of assistance offered to students throughout your institution?				
Coordinating Major Financial Aid Responsibilities 4. Has your institution designated an adequate number of trained, capable personnel to administer the student and financial programs? (§668.14)				
Disclosing Information on Title IV Participation 5. Does your institution routinely make available the written consumer information and disclosures to all current and prospective students? (§668.41 and 668.42)				
6a. Does your institution have a Standard of Satisfactory Academic Progress that contains all of the elements required under §668.14?				
6b. Can the SAP standard easily be applied?				
6c. Is the standard clear enough to be understood by your staff and students?				

* Near-term = Implement within one year
** Long-term = Implementation will require more than one year

CORE MANAGEMENT
ASSESSMENT WORKSHEET

AREA B. FISCAL MANAGEMENT

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Establishing Accounting Systems 1. Does your institution have standard procedures to ensure that it accounts accurately for the receipt and disbursement of all aid funds?				
2. Does your institution ensure that it only draws down funds to be disbursed within the time frame prescribed by the system you are using?				
Coordinating Program-Specific Funds 3a. Does your institution monitor authorization amounts?				
3b. Does your institution ensure that cash draws and expenditures are within those authorizations?				
Ensuring Adequate Auditing Practices 4a. Does your institution have a procedure to ensure that your Title IV programs are audited annually by an independent agent?				
4b. Does your institution have a procedure to ensure that the audit report is submitted to ED within the appropriate time frame?				
5. Does your institution maintain an accessible audit trail for each transaction, allowing you to easily trace financial data that identifies individual student disbursement and total aid awarded?				

* Near-term = Implement within one year
** Long-term = Implementation will require more than one year

CORE MANAGEMENT
ASSESSMENT WORKSHEET

AREA C. RECIPIENT ELIGIBILITY

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Evaluating Student Eligibility 1. Does your institution have a system to verify that financial aid recipients meet all eligibility requirements in accordance with §668.7 of the Student Assistance General Provisions?				
Collecting Required Documentation and Verifying Data 2. Does your institution collect and maintain the data relevant to each student's application for federal aid (e.g., SAR, ISAR/ESAR, tax returns)?				
3. Is your institution in compliance with all applicable verification regulations found in §668.53 - 668.60?				
Determining Cost of Attendance 4. Has your institution determined proper budgets or cost of attendance (COA) to utilize in determining students' need for federal aid programs? (HEA of 1992)				

* Near-term = Implement within one year

** Long-term = Implementation will require more than one year

CORE MANAGEMENT
ASSESSMENT WORKSHEET

AREA D. AWARD CALCULATION AND DISBURSEMENT

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Additional Questions for Direct Loan Institutions Only 1a Has the institution defined financial aid awarding procedures for use during the current academic year for student borrowers?				
1b Has it defined financial aid awarding procedures for use during the current academic year for parent borrowers? (§454(a)(4)HEA)				
2 Has your institution established disbursement procedures for Direct Loans as required by §455(j) of the HEA as amended?				
3 Does your instition have a system to ensure that a properly executed promissory note is obtained from a Direct Loan borrower prior to releasing any loan proceeds to the student?				
4 Has the institution identified the appropriate level and type of automation to best meet its needs in administering the Direct Loan Program?				
5 If your institution does not originate loans under the Direct Loan Program, have you assigned responsibility and defined procedures for forwarding to ED all student eligibility data needed for alternative loan origination? (§454(a)(1)(E)HEA)				

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CORE MANAGEMENT
ASSESSMENT WORKSHEET

AREA E. REPORTING AND RECONCILIATION

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Adjusting Awards 1. Does your institution have standard procedures for adjusting disbursements as necessary as a result of verifying data, resolving conflicts, changes in student status, or receipt of additional aid?				
2. Does your institution use a certified need analysis system to recalculate the family contribution (EFC) based on corrections or changes in data?				
3a. Does your institution properly document, on a case-by-case basis, changes in student's dependency status?				
3b. Does your institution properly document, on a case-by-case basis, other changes made using professional judgment?				
Providing Title IV Refunds 4. Is your institution's refund formula fair and equitable, allowing for the most beneficial treatment for students in accordance with §484(b) of the HEA?				
5. Does your institution have a system to ensure that refunds are made within required time frames and credited to the appropriate Title IV accounts in accordance with the refund distribution order as specified in §485 of the HEA of 1992?				
Reporting and Recordkeeping 6a. Does your institution reconcile Title IV disbursement records (i.e., general ledger — journal of expenditures) to other data sources (e.g., authorization levels, ED/PMS 272 reports, FISAP, and Student Payment Summary Reports)?				

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CORE MANAGEMENT
ASSESSMENT WORKSHEET

AREA E. REPORTING AND RECONCILIATION (continued)

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Reporting and Recordkeeping (continued) 6b. Does your institution maintain verifiable, auditable data in support of these records?				
7. Does your institution verify that accurate information on student status is reported for all borrowers to ED or the appropriate guaranty agency? (§682.610) and 454(a)(1)(E) HEA 1992)				
8. Are there standard procedures for identifying and correcting any problems in your automated systems?				
9. Are user manuals for automated systems developed and updated?				
10. Are all user manuals for automated systems subjected to review by potential users, to ensure that they are understandable, are easy-to-use, and address any potential problems?				
11. Does the institution's computer system identify authorized users and restrict their access to the system (i.e., by using passwords and limiting access to specific files and programs).				

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* Near-term = Implement within one year
** Long-term = Implementation will require more than one year

FOCUS
MANAGEMENT
ASSESSMENT
MODULES
WORKSHEET
(WORKSHEET MA-3c)

FOCUS MANAGEMENT ASSESSMENT
MODULE 1 WORKSHEET

AREA A. INSTITUTIONAL PARTICIPATION

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Determining Institutional and Program Eligibility 1a. Is your institution currently accredited by a nationally recognized accrediting agency that is approved by the Secretary?				
1b. Are all the programs for which federal aid is offered included in that accreditation?				
2a. Is your institution currently licensed to operate within a state in accordance with §600.4 - 600.7?				
2b. Are all of the programs for which federal aid is offered included in that approval?				
3. Does your institution confirm, on an annual basis, that the duration of your academic year meets the minimum requirements as defined by the Secretary? (HEA 1992)				
4. If your institution does not offer a 2-year associate or 4-year bachelor degree program, have you determined that no more than 50 percent of your students were admitted under the Ability to Benefit (ATB) provisions? (HEA 1992 §484(d)				
5a. For all students in a given course of study, does your institution use the same academic year definition?				
5b. Does each such definition incorporate at least 30 weeks? (HEA 1992)				
6. If your institution offers educational programs at locations other than your main campus, does it have written confirmation from the Department's Institutional Participation Division as evidence of approval for Title IV funding? (§600.21)				

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FOCUS MANAGEMENT ASSESSMENT
MODULE 1 WORKSHEET
(continued)

AREA A. INSTITUTIONAL PARTICIPATION

Major Functional Requirements	**Inventory of Existing Procedures**			**Timeframe**
	Not applicable at institution at this time (explain)	**No improvement action needed at this time**	**Improvement action needed**	**Near-term (N)* or Long-term (L)****
Determining Institutional and Program Eligibility (continued) 7. If your institution offers courses by correspondence, has it determined that no more than 50 percent of its courses are offered by correspondence or that no more than 50 percent of its students are enrolled in correspondence courses?				
8. If your institution offers programs to incarcerated students, has it determined that no more than 25 percent of its enrolled students are incarcerated, or that it has received a waiver of this prohibition from the Secretary? (HEA 1992)				
Coordinating Major Financial Aid Responsibilities 9. Does your institution have a system to coordinate all information relating to students' eligibility to participate in the Title IV programs?				
10. Does your institution have valid consortium agreements that contain all required provisions for all applicable students? (§600.9)				
11a. Does your institution monitor the default rates under the Perkins and Part B Loan programs?				
11b. Does your institution initiate action if those rates approach 20 percent? (§668.15)				
12a. Does your institution have a plan for default management?				
12b. Is the plan being implemented in all respects?				

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FOCUS MANAGEMENT ASSESSMENT
MODULE 1 WORKSHEET
(continued)

AREA A. INSTITUTIONAL PARTICIPATION

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Coordinating Major Financial Aid Responsibilities (continued) 13a. Is there an office responsible for calculating and monitoring the institution's student withdrawal rate?				
13b. Is there an office responsible for initiating appropriate action, if that rate approaches 33 percent? (§668.15)				
14a. Has your institution identified all affected institutional components?				
14b. Has your institution assigned responsibility for implementation, prior to and during academic year 1994-95, of a quality assurance system that will satisfy ED requirements? (§454(a)(5) HEA 1992)				
Disclosing Information on Title IV Participation 15. Does your institution publish all of the consumer information required by §668.43 and 668.44?				
16. Are the Satisfactory Academic Progress (SAP) standards and procedures by which a student who has failed to maintain progress and who may re-establish eligibility for Title IV assistance published and readily available to all students? (§668.16)				

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** Long-term = Implementation will require more than one year

FOCUS MANAGEMENT ASSESSMENT
MODULE 2 WORKSHEET

AREA B. FISCAL MANAGEMENT

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	**No improvement action needed at this time**	**Improvement action needed**	**Near-term (N)* or Long-term (L)****
Establishing Accounting Systems				
1. Does your institution have a system to ensure that federal funds are used only for program purposes?				
2a. Has your institution reviewed its debtor position to determine if it meets all of the standards for financial capability (§668.15)?				
2b. Is your institution in compliance with §453(a)(2)(G) HEA 1992?				
3. Are separate offices and individuals responsible for awarding aid and disbursing funds?				
4. Does your system allow you to identify by program the amount of federal cash at your institution at any given time?				
5. Can your institution ensure that it does not charge fees of any kind to promote, originate, or administer federal aid programs? (§454(a)(6) HEA 1992)				
Coordinating Program-Specific Funds				
6. Are federal funds deposited into accounts that are properly established and identified for that purpose?				
7. Does your institution properly calculate its Administrative Cost Allowance under the Campus-based programs?				
8a. Does your institution have a system to ensure that it is contributing the correct institutional match of program funds towards Campus-based disbursements?				

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FOCUS MANAGEMENT ASSESSMENT
MODULE 2 WORKSHEET
(continued)

AREA B. FISCAL MANAGEMENT

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Coordinating Program-Specific Funds (continued) 8b. Is the institutional share being provided within the appropriate time frames?				
9a. Are all fund transfers within the Campus-based programs within the allowable award year?				
9b. Are all fund transfers within the Campus-based programs within the program limits?				
Ensuring Adequate Auditing Practices 10. Does your institution's system reconcile all activity that occurs during a 30-day period before the following 30-day period?				
11. Does your system easily identify excess cash (including interest earned on federal funds), and routinely and promptly return monies to program accounts or to the appropriate federal department?				

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FOCUS MANAGEMENT ASSESSMENT
MODULE 3 WORKSHEET

AREA C. RECIPIENT ELIGIBILITY

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Evaluating Student Eligibility 1. Does your institution have a system to ensure that all financial aid recipients possess a high school diploma or equivalent or demonstrate the Ability to Benefit (ATB) from the training provided? (§668.7 and HEA 1992)				
2. Does your institution have a system to ensure aid is provided to only regular students (i.e., students enrolled for the purpose of receiving a degree or certificate) unless exempted by the Higher Education Technical Amendments (HETA) or HEA 1992? (§668.7)				
3a. Does your institution have a policy for granting "leaves of absence"?				
3b. If so, is there a procedure for determining if a student returns from leave? (§682.605)				
4a. Does your institution have a system to ensure that Title IV aid is provided only to students in an eligible citizenship category?				
4b. Does your institution identify eligible non-citizens for whom documentation is required? (§668.7)				
Collecting Required Documentation and Verifying Data 5. Does your institution have a system for collecting all required student certifications and statements?				
6a. Does your institution have a system to identify the need for all required financial aid transcripts (FATs) for students who attended a prior postsecondary institution? (§668.19)				

* Near-term = Implement within one year
** Long-term = Implementation will require more than one year

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FOCUS MANAGEMENT ASSESSMENT
MODULE 3 WORKSHEET
(continued)

AREA C. RECIPIENT ELIGIBILITY

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Collecting Required Documentation and Verifying Data (continued) 6b. Does your institution track the collection of all FATs?				
7. Does your institution have a system for identifying and/or resolving conflicting applicant information in accordance with §668.14?				
Determining Cost of Attendance 8. Are costs of attendance properly calculated (i.e., prorated based on academic year length when necessary, and, if appropriate, adjusted for students studying abroad, incarcerated, or enrolled in correspondence courses)?				
9. Does your institution have a policy that ensures COA's are determined based on costs associated with credit — clock hours and costs associated with weeks of instructional time and are prorated based on full-time, full-year costs?				

* Near-term = Implement within one year
** Long-term = Implementation will require more than one year

FOCUS MANAGEMENT ASSESSMENT
MODULE 4 WORKSHEET

AREA:D. AWARD CALCULATION AND DISBURSEMENT

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Disbursing Pell Grants 1. Does your institution have a procedure to ensure that Federal Pell Grant disbursement amounts are calculated based on incorporating the 30-week minimum academic year and standards for weeks of instructional time and credit/clock hours earned? (HEA 1992)				
2. Does your institution use a nine-month expected family contribution (EFC) to determine a student's Federal Pell Grant?				
3. Does your institution have a system to ensure receipt of a valid SAR, ESAR, or official EFC on roster or tape (ISIR) while a student is still enrolled and eligible?				
4. Does your institution ensure that all Electronic SARs are signed by all required persons, and that alternate eligibility output documents are signed by the student to attest that the information reported has been reviewed and is accurate?				
5. Does your institution schedule Federal Pell Grant disbursements often enough so that no one disbursement exceeds half of the annual award (i.e., in the case of a non-standard term that exceeds half of the academic year, at least two disbursements are scheduled during the term)?				
6. Does your institution have a system to ensure that Federal Pell Grant payments are properly reported to ED?				
7a. Does your institution have a system for monitoring student completion of the portion of a term for which she or he was initially paid?				

* Near-term = Implement within one year
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FOCUS MANAGEMENT ASSESSMENT
MODULE 4 WORKSHEET
(continued)

AREA D. AWARD CALCULATION AND DISBURSEMENT

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Disbursing Pell Grants (continued) 7b. Does it ensure that subsequent disbursements within the term are not made until the portion previously paid for has, in fact, been completed?				
8. For non-term programs, does your institution have a system to ensure that midpoint disbursements are not made until the student has completed both the minimum weeks and clock — credit hours required in the payment period?				
9. Does your institution ensure that awards to incarcerated students, if eligible for Federal Pell Grant, are within appropriate maximums?				
Packaging Campus-based Awards 10. Does your institution make Campus-based aid reasonably available to all students (including students attending non-main campus locations) represented in your FISAP Eligible Aid Applicant Grid (Part II, Section E)?				
11. Are FSEOG funds first awarded to Federal Pell Grant eligible students with exceptional need (lowest EFC)?				
12. Are Federal Perkins Loan funds first awarded to students demonstrating exceptional need (lowest EFC)?				
13. For Federal Perkins Loan program recipients, does your institution have procedures to determine borrower eligibility for forbearance, deferment, and cancellation provisions?				

* Near-term = Implement within one year

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FOCUS MANAGEMENT ASSESSMENT
MODULE 4 WORKSHEET
(continued)

AREA D. AWARD CALCULATION AND DISBURSEMENT

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Packaging Campus-based Awards (continued) 14. Does your institution have procedures to ensure that due diligence is performed in accordance with requirements of Subpart C, §674.41 - 674.50 of the Federal Perkins Loan program regulations?				
15. Does your institution have an adequate document control system to track and safeguard signed loan notes?				
16a. Does your institution have a system to monitor Federal Work-Study (FWS) earnings?				
16b. Does your institution have a system to adjust subsequent awards or disbursements as necessary?				
17. Does your institution pay FWS earnings at least monthly?				
18. Does your institution have procedures to ensure that at least 5 percent of your FWS funds are paid to students in service to the community?				
Providing Federal Family Education Loans (FFEL) 19. Does your system ensure that information provided and certified on student loan applications is accurate and complete?				
20. Does your institution determine a student's eligibility for a Federal Pell Grant prior to certifying him/her for an FFEL Loan?				

* Near-term = Implement within one year
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FOCUS MANAGEMENT ASSESSMENT
MODULE 4 WORKSHEET
(continued)

AREA D. AWARD CALCULATION AND DISBURSEMENT

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Providing Federal Family Education Loans (FFEL) (continued) 21. Prior to certifying an unsubsidized Federal Stafford loan for a student, do you determine his/her eligibility for a subsidized Federal Stafford loan?				
22. Does your institution have standard procedures to notify a student in writing if you decline to certify a loan?				
23. Does your institution have a system to ensure that the first payment of a Federal Stafford Loan or an Unsubsidized Federal Stafford Loan made to a first-year, first-time undergraduate student is not released until the borrower has completed the first 30 days of his/her program of study?				
24. Does your institution have a procedure for ensuring that students are provided with all of the information stipulated in the entrance and exit interview requirements of the federal loan programs? (§682.604)				
25. During exit counseling, does your institution have a procedure to ensure that you obtain required or updated information from the borrower in accordance with requirements stipulated in the HEA of 1992?				
26. Does your institution have a procedure established so that students may obtain loans under any state-sponsored or private loan program to offset the EFC? (§454(a)(1)(b) HEA 1992)				

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FOCUS MANAGEMENT ASSESSMENT
MODULE 4 WORKSHEET
(continued)

AREA D. AWARD CALCULATION AND DISBURSEMENT

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Additional Questions for Direct Loan (FDSL) Institutions Only 27. Has your institution defined financial aid awarding procedures for use during the current academic year for student and parent borrowers? (§454(a)(4) HEA 1992)				
28. Has your institution established disbursement procedures for Direct Loans as required by §455(j) of the 1992 HEA as amended?				
29. Does your institution have a system to ensure that a properly executed promissory note is obtained from a Direct Loan borrower prior to releasing any loan proceeds to the student?				
30. Has your institution identified the appropriate level and type of automation to best meet its needs in administering the Direct Loan Program?				
31. If you do not originate loans under the Direct Loan program, have you assigned responsibility and defined procedures for forwarding to ED all student eligibility data needed for alternative loan origination? (§454(a)(1)(E) HEA 1992)				

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FOCUS MANAGEMENT ASSESSMENT
MODULE 5 WORKSHEET

AREA E. REPORTING AND RECONCILIATION

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	**No improvement action needed at this time**	**Improvement action needed**	**Near-term (N)* or Long-term (L)****
Adjusting Awards 1a. When a student's projected enrollment status changes, does your institution have a policy to determine whether the Federal Pell Grant award must be recalculated taking into consideration changes in COA?				
1b. Is this policy applied consistently to all students?				
2a. Does your institution have standard procedures for reporting changes in awards to the student?				
2b. Does your institution have standard procedures for reporting changes in the central processor?				
2c. Does your institution have standard procedures for reporting changes in other institutional offices as appropriate?				
3a. Does your institution maintain documentation of adjustments made to data elements used to calculate the cost of attendance (COA)?				
3b. Does your institution maintain documentation of adjustments made to data elements used to calculate the expected family contribution (EFC)?				
Providing Title IV Refunds 4. For the purpose of refunding Title IV funds, does your institution have a procedure in place to identify students who register but never attend classes so that financial aid that has been disbursed/credited to the student's account can be returned?				
Providing Title IV Refunds (continued) 5. For the purpose of determining when a refund must be paid, does your institution have a system for determining a student's last day of attendance? (§682.605)				

* Near-term = Implement within one year

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FOCUS MANAGEMENT ASSESSMENT
MODULE 5 WORKSHEET
(continued)

AREA E. REPORTING AND RECONCILIATION

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
6. Do your institution's internal controls ensure that refund calculations are performed in a timely manner and are mathematically correct?				
7. Does your institution have procedures to ensure that the *pro-rata* refund formula is utilized for all first-time students who withdraw prior to the 60 percent point in the term?				
8. Does your institution have a system for ensuring that credit balances are promptly delivered to students unless a student has voluntarily provided written authorization to the institution to retain those funds for future charges?				
9. Does your institution ensure, when determining the amount it's entitled to retain, that it excludes the unpaid balance owed by the student on the account in accordance with §668.22?				
Reporting and Recordkeeping 10. Does your institution's system facilitate the timely filing of all required program reports (e.g., PMS-272, Pell Grant IPS, Campus-based FISAP) and required audits and financial statements?				
11. Does your institution have a procedure to ensure that the FISAP is prepared properly and electronically submitted to ED by the stated deadline each year?				

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FOCUS MANAGEMENT ASSESSMENT
MODULE 6 WORKSHEET

AUTOMATED PROCESSING[1]
(The term "ADP," "automated system," and "system" are used interchangeably throughout this module)

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
1. How well does the ADP system meet the needs of the users in the financial aid office?				
2. Does your ADP system have standard procedures for dealing with exceptional or problem cases?				
3. Do backlogs regularly occur when processing reports or other data needs?				
4. Does your institution have a long-range plan for increasing/improving use of automation?				
5. Is a standard systems development life cycle followed in designing computer applications to ensure that all requirements are fully met?				
6. Do you update documentation of all application software/programming?				
7a. Do you test changes in software and programming?				
7b. Do you follow standard procedures for thorough testing?				
8a. Are adequate controls maintained over inputs to your system, including: Tracking the entry of all source documents (i.e., by using pre-numbering, a log or register, or batch counts)?				

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[1] These procedures are relevant primarily to mainframes or minicomputers. However, you should follow similar types of procedures to control the use of personal or microcomputers and programmable calculators. Please assess whether these controls are needed for each automated system or type of automation you use, completing a separate copy of this section for each system. If you use a centralized data processing center, involve data processing personnel in completing this worksheet.

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FOCUS MANAGEMENT ASSESSMENT
MODULE 6 WORKSHEET
(continued)

AUTOMATED PROCESSING

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
8b. Ensuring that the data entered into the system are identical to the data on the source document (i.e., by performing key entry verification)?				
8c. Ensuring the completeness and accuracy of the data reported on the source document (i.e., by using edits, validity tests, and reasonability tests)?				
8d. Ensuring that the use of any special transactions (i.e., those which bypass normal checks) is restricted and supervised?				
8e. Storing all source documents or microfiche copies?				
9a. Are adequate controls maintained over rejected or erroneous transactions, including: Using suspense records to track re-entry or cancellation of all previously rejected transactions?				
9b. Ensuring that all rejected transactions are corrected or canceled (e.g., by tracking and approving responses to error listings)?				
9c. Applying edits, validation, and reasonability tests to all re-entered transactions that are identical to those for initial entry?				
10. Are adequate controls maintained over outputs, including recording and checking control totals, record counts, and so on?				
11a. Does the institution have adequate contingency plans, including: Procedures for back-up processing and recovery in the event of processing interruptions or temporary shut-downs?				

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FOCUS MANAGEMENT ASSESSMENT
MODULE 6 WORKSHEET
(continued)

AUTOMATED PROCESSING

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
11b. Procedures for developing back-up copies of all data files in case of catastrophe, and for storing them off-site?				
12. Has your institution taken steps to ensure adequate physical protection against fire, water damage, theft, and sabotage?				

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* Near-term = Implement within one year

** Long-term = Implementation will require more than one year

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FOCUS MANAGEMENT ASSESSMENT
MODULE 7 WORKSHEET

ADMINISTRATIVE PRACTICES

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Institutional Policies and Procedures 1. Is your institution in compliance with applicable civil rights statutes and regulations?				
2. Is your institution in compliance with applicable NCAA requirements?				
3a. Are financial aid office (and other related offices) staff sensitive to the racial diversities of the student population?				
3b. Are financial aid office (and other related offices) staff sensitive to the ethnic diversities of the student population?				
3c. Are financial aid office (and other related offices) staff sensitive to the cultural diversities of the student population?				
3d. Are financial aid office (and other related offices) staff sensitive to the physically-challenged diversities of the student population?				
3e. Are financial aid office (and other related offices) staff sensitive to the socio-economic diversities of the student population?				
4a. Are deadlines for financial aid consideration and awarding well-publicized?				
4b. Are all application procedures and instructions communicated to students with sufficient time to permit completion of all necessary tasks?				
5. Are staff familiar with students' rights and responsibilities under the Buckley Amendment (FERPA)?				

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FOCUS MANAGEMENT ASSESSMENT
MODULE 7 WORKSHEET
(continued)

ADMINISTRATIVE PRACTICES

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Institutional Policies and Procedures (continued) 6a. Does the Director of Financial Aid or designated institutional staff evaluate NPRMs related to student assistance programs as they are published?				
6b. Does the FAO/designee respond to these NPRMs?				
Personnel and Training 7a. Does the Financial Aid Office develop written polices and procedures for all aid-related activities?				
7b. Do they update the written policies and procedures?				
8. Are all relevant personnel periodically required to review current institutional policies and procedures related to their responsibilities, as well as the relevant requirements of federal, state, and other agencies?				
9. Is training provided to all new personnel related to general office policies and procedures?				
10a. Are professional staff encouraged to attend training sessions provided by ED?				
10b. Are professional staff encouraged to attend training sessions provided by state guaranty agencies?				
10c. Are professional staff encouraged to attend training sessions provided by professional associations?				

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* Near-term = Implement within one year
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FOCUS MANAGEMENT ASSESSMENT
MODULE 7 WORKSHEET
(continued)

ADMINISTRATIVE PRACTICES

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Personnel and Training (continued) 11. Is in-service training provided to all personnel?				
12a. Are written job descriptions (including factors that will be used to evaluate performance) developed for all personnel?				
12b. Are the job descriptions updated periodically?				
13. Has the institution implemented a formal process for periodically evaluating the performance of all personnel?				
14. Are there standard procedures to ensure that staff are available as needed?				
15. Do financial aid staff (and other relevant offices) meet to jointly develop a master schedule for student aid delivery, including all relevant deadlines, forecasted workloads, and person(s) responsible for each task?				
16. Is there a working relationship between financial aid office staff and the staff of other offices with related functions (i.e., do you meet or communicate regularly with representatives from the business office, registrar, and others)?				
Retaining Records and Reporting 17a. Have routine procedures been established for: Filing and storing documents?				
17b. Retrieving documents?				

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FOCUS MANAGEMENT ASSESSMENT
MODULE 7 WORKSHEET
(continued)

ADMINISTRATIVE PRACTICES

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
17c. Copying or microfiching or imaging documents?				
17d. Purging and cleaning out or archiving files?				
18a. Does the institution follow federal requirements for archiving records?				
18b. Does it follow state requirements for archiving records?				
18c. Does it follow institutional policies for archiving records?				
19. If another office is responsible for archiving/storing financial aid records, are those records readily accessible if needed?				
20a. Are all documents routinely used by a number of people maintained in a common filing system?				
20b. Is it centrally located and controlled?				
21. Are copies maintained of all reports submitted to and received from the federal Government, as well as the records and calculations upon which each submission is based?				
Space and Facilities 22. Is the financial aid office conveniently located and accessible to physically challenged students?				
Space and Facilities (continued) 23. Does the total office space and set-up enhance the function of the office (e.g., privacy for counseling, and so on)?				

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FOCUS MANAGEMENT ASSESSMENT
MODULE 7 WORKSHEET
(continued)

ADMINISTRATIVE PRACTICES

Major Functional Requirements	Inventory of Existing Procedures			Timeframe
	Not applicable at institution at this time (explain)	No improvement action needed at this time	Improvement action needed	Near-term (N)* or Long-term (L)**
Administration and Management				
24. Is there a system to spot-check files to ensure staff work is consistent and in compliance with all statues, regulations, and institutional policies?				
25. Does the office maintain an adequate number of forms and other supplies to avoid delays?				
26a. Are all staff required to provide reports of accomplishments during a given period?				
26b. Are all staff required to provide objectives for the upcoming period (e.g., month, quarter)?				
26c. Is this information shared with other staff?				

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WORKSHEET ME-1
SCHEDULE OF ACTIVITIES FOR THE MANAGEMENT ENHANCEMENT TASK[1]

Management Enhancement Activity	Suggested Date for Successful Implementation	Staff Responsible/ Team Member	Date Completed (Actual)
Select team members to complete ME activities.	Immediately after completing MA Task.		
Complete Worksheet ME-1: Schedule of Activities for the Management Enhancement Task.	Immediately after completing MA Task.		
Complete Worksheet ME-2: Management Enhancement Action Plan for each identified enhancement action.	No later than August 1. Submit with End-of-Year Report.		

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[1] Make a copy of this Worksheet for each team member responsible for completing Management Enhancement activities. Post one copy in the office, and place the original schedule in your master QAP File.

WORKSHEET ME-2
MANAGEMENT ENHANCEMENT ACTION PLAN
High or Low Priority: ____________

1. Enhancement Item: ____________

2. Enhancement Action: ____________

3. Lead Person, Title, and Office: ____________

4. Other Campus Office(s)/ Representative(s) Involved:

1) ____________ 5) ____________
2) ____________ 6) ____________
3) ____________ 7) ____________
4) ____________ 8) ____________

	Projected Dates	Actual Dates
5. Implementation Start Date:		
Implementation End Date:		

6. Long- or Near-Term Management Enhancement Action? ____________

EXAMPLE

WORKSHEET ME-2
MANAGEMENT ENHANCEMENT ACTION PLAN
High or Low Priority: High

1. Enhancement Item: *9-month EFC determination (D-2)*

2. Enhancement Action: *4 hr. training session with Pell staff and Bursar's representative*

3. Lead Person, Title, and Office: *Jane Doe, Assistant Director, FAO*

4. Other Campus Office(s)/ Representative(s) Involved:

1) Bursar's: David Jones	*5)*
2)	6)
3)	7)
4)	8)

	Projected Dates	Actual Dates
5. Implementation Start Date:	*October 16, 1995*	*October 22, 1995*
Implementation End Date:	*October 30, 1995*	*November 3, 1995*

6. Long- or Near-Term Enhancement Action? *Near-term action*

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WORKSHEET AM-1
SCHEDULE OF ACTIVITIES FOR THE ANNUAL MEASUREMENT TASK[2]

Annual Measurement Activity	**Suggested Date for Successful Implementation**	**Staff Responsible/ Team Member**	**Date Completed (Actual)**
Select team members to complete AM activities.	Initiate by September 1, and complete activity assignments no later than October 1.		
Complete Worksheet AM-1: Schedule of Activities for the Annual Measurement Task.	Complete no later than October 1.		
Provide sampling guidelines and instructions to individual(s) assigned to draw QAP sample.	Complete no later than October 1.		
Select QAP sample.	Initiate by October 15, complete no later than November 15 (may vary depending on institution's calendar).		
Complete Worksheet AM-2: QAP Sample Selection Data for a Simple Random QAP Sample.	Initiate by October 15, complete no later than November 15.		
Complete Worksheet AM-2a: QAP Sample Certification Worksheet.	Complete no later than November 15.		
Prepare information requesting documentation from QAP sampled students.	Prepare information prior to QAP sample selection and no later than November 15.		
Review cost of attendance and student budgets, recalculate if needed, and place copy in master QAP file.	Complete review prior to QAP sample selection and no later than November 15.		
Complete Worksheet AM-3: QAP Sample Documentation Collection Plan.	Complete no later than November 15.		

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[2] Make a copy of this Worksheet for each staff/team member responsible for completing Annual Measurement activities. Post one copy in the office, and place the original schedule in your master QA File.

WORKSHEET AM-1 (Continued)
SCHEDULE OF ACTIVITIES FOR THE ANNUAL MEASUREMENT TASK

Annual Measurement Activity	Suggested Date for Successful Implementation	Staff Responsible/ Team Member	Date Completed (Actual)
Review and complete Worksheet AM-3a: Standard Documentation and Timing Guidelines for Student-Reported and Institutional Data Items.	Complete review prior to QAP sample selection but no later than November 15.		
Conduct 1st follow-up with non-respondents.	Complete no later than December 31 (date may vary depending on institution's calendar).		
Complete Worksheet AM-4: QAP Software Data Entry Form for each complete QAP sample case.	Complete after each student's documentation collection is complete. Verify time sensitive data items according to dates specified on Worksheet AM-3a.		
Enter information from completed Worksheet AM-4 onto QAP Software.	Enter data only after time sensitive data items have been verified but no later than July 15.		
Complete Activity Five: Analyze Results. Submit data diskette to QA Program Contractor.	Review may be initiated after completing data entry of Worksheet AM-4 information but no later than July 15.		

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WORKSHEET AM-2
QAP SAMPLE SELECTION DATA FOR A SIMPLE RANDOM QAP SAMPLE

ITEM 1a.	Total number of students receiving Pell Grants.*	
	Total Pell Grant program (not QAP sample) dollars awarded.	
b.	Total unduplicated number of students receiving aid under one or more of the Campus-based programs.*	
	Total Campus-based program (not QAP sample) dollars awarded.	
c.	Total unduplicated number of students certified/originated for (subsidized) Stafford Loans/Direct Loans.*	
	Total subsidized Stafford Loan/Direct Loan program (not QAP sample) dollars certified/originated.	
d.	Total *unduplicated* number of students who received aid (total number of students receiving Pell and/or Campus-based aid and/or certified/originated for a subsidized Stafford Loan/Direct Loan for the current award year; not the sum of 1a, b and c).*	
e.	Date as of which counts are accurate.	
ITEM 2a.	Minimum QAP sample size.	
b.	Actual QAP sample size (if larger or if it includes entire population).	
ITEM 3.	Sampling interval (1.d divided by 2.a or 2.b, eliminating the numbers after the decimal point).	
ITEM 4.	Random seed (if applicable).	
ITEM 5.	Actual number of students drawn for the QAP sample.	
ITEM 6a.	Source used for QAP sample selection (e.g., name of computer file or source of manually maintained list).	
b.	Date as of which this list is accurate up-to-date, and complete.	
ITEM 7.	Attach to this form a list of students included in the QAP sample.	

*Includes recipients for the current award year, excluding any summer-only recipients.

WORKSHEET AM-2a
QAP SAMPLE CERTIFICATION WORKSHEET

Certification Area One: Sampling Frame

1. Does the sampling frame include:

   A) Recipients of need-based, subsidized Title IV student financial aid? ☐ Yes ☐ No

   B) Recipients of Federal Pell Grants and Campus-based aid, students certified subsidized Stafford Loans, and recipients of subsidized Direct Loan originations? ☐ Yes ☐ No

Name of Person Certifying	*QAP Coordinator*	*Date*

Certification Area Two: QAP Sample Size

1. What is the appropriate minimum QAP sample size? ____________________

2. What is the actual QAP sample size? ____________________

Name of Person Certifying	*QAP Coordinator*	*Date*

Certification Area Three: Random QAP Sample Selection

1. Was the random QAP sample:

   A) Correctly selected from the correct QAP sample frame? ☐ Yes ☐ No

   B) Calculate with the correct probability of selection the correct target population size and sample size? ☐ Yes ☐ No

2. Does the QAP sample broadly reflect the composition of the target recipient population? ☐ Yes ☐ No

Name of Person Certifying	*QAP Coordinator*	*Date*

WORKSHEET AM-3

QAP SAMPLE DOCUMENTATION COLLECTION PLAN

1 Brief Description of Procedures for Requesting Documentation	2 Person(s) Responsible	3 Date Implemented	4 Cumulative Response Rate[5] (%)
1.			
2.			
3.			
4.			
5.			
			FINAL

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[5] Number of sampled students for whom all documentation has been received divided by total number of students in the QAP sample, at the point just before the next procedure for requesting documentation (from Column 1) is initiated.

WORKSHEET AM-3a

STANDARD DOCUMENTATION AND TIMING GUIDELINES[6] FOR VERIFYING STUDENT-REPORTED AND INSTITUTIONAL DATA ITEMS

Reported)	Category	Documentation	Provided By	Documentation	[illegible]	[illegible]	[illegible]
Number in Household	Independent.	Signed Statement listing name, age, and relationship of household member to applicant.	Applicant and Spouse.	N/A	N/A	***Time sensitive***. May not be collected before October 1 for those starting in the fall or March 1 for those starting in the spring.	
	Dependent.	Signed statement listing name, age and relationship of household member to applicant.	Parents and Dependent Student.	N/A	N/A	***Time sensitive.*** May not be collected before October 1 for those starting in the fall or March 1 for those starting in the spring.	
Number in Household Enrolled in Postsecondary Educational Institutions	Independent and Dependent.	Obtain enrollment documentation from the college(s) at which other household members are enrolled.	Applicant and Spouse; Parents and Dependent Student.	Signed statement listing name and age of family member and name of college.	10%	***Time sensitive***. May not be collected before October 1 for those starting enrollment in the fall or March 1 for those starting enrollment in the spring.	

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[6] The timing guideline applies to traditional enrollment institutions. If the timing guidelines do not correspond to your institutional calendar, collect documentation as close to completing Worksheet AM-4 as possible.

WORKSHEET AM-3a (Continued)
STANDARD DOCUMENTATION AND TIMING GUIDELINES FOR VERIFYING STUDENT REPORTED AND INSTITUTIONAL DATA ITEMS

Data Item (Student Reported)	Student Category	Standard Documentation	Provided By	Alternate Documentation	[illegible] Alternate Documentation	[illegible]	[illegible]
Adjusted Gross Income and U.S. Taxes Paid	Independent Tax Filer.	IRS Forms, 1040, 1040A, 1040EZ, 1040X. (If applicant filed a joint return but is widowed, separated, or divorced IRS form W-2 is required.)	Applicant and Spouse.	IRS letter 1722, or RTFTP or IRS Form W-2, or IRS Form 4868, and/or signed statement. Copy of filed foreign or Puerto Rican Tax return. For extension: Copy of each W-2 or if self-employed a signed statement; AND a. IRS Form 4868; or b. IRS proof of extension; and c. Copy of return when filed.	10%	***Not time sensitive***. May be collected at the time of or after the QAP sample has been drawn if there is no standard documentation already in the student's file.	

WORKSHEET AM-3a (Continued)
STANDARD DOCUMENTATION AND TIMING GUIDELINES FOR VERIFYING STUDENT REPORTED AND INSTITUTIONAL DATA ITEMS

Data Item (Student-Reported)	Student Category	Standard Documentation	Provided By	Alternate Documentation	[illegible]	[illegible]	[illegible]
Adjusted Gross Income and U.S. Taxes Paid (continued)	Dependent Tax Filer.	IRS Forms: 1040, 1040A, 1040EZ.	Parents and Dependent Student.	IRS Letter 1722, or RTFTP, or IRS form W-2, or IRS Form 4868, and/or signed statement.	10%	***Not time sensitive.*** May be collected at the time of or after the QAP sample has been drawn if there is no standard documentation already in student's file.	
	Dependent Tax Filer.	(If applicant filed a joint return but is widowed, separated, or divorced IRS Form W-Z is also required).	Parents and Dependent Student.	Copy of filed foreign or Puerto Rican tax return. For extension: Copy of each W-2, or if self-employed, a signed statement; AND a. IRS Form 4868; or b. IRS proof of extension; and c. Copy of return when filed; and	10%		

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WORKSHEET AM-3a (Continued)
STANDARD DOCUMENTATION AND TIMING GUIDELINES FOR VERIFYING STUDENT REPORTED AND INSTITUTIONAL DATA ITEMS

Data Item (Student Reported)	Student Category	Standard Documentation	Provided By	Alternate Documentation	[illegible] Documentation	[illegible]	[illegible]
Adjusted Gross Income and U.S. Taxes Paid (continued)	Non Tax Filer.	Signed statement of non filer status and income; and W-2 if appropriate.	Parents, Dependent Student, and Independent Student.	N/A	N/A	***Not time sensitive.*** May be collected at the time or after the QAP sample has been drawn if there is no standard documentation in the student's file.	
Independency Status If the student meets any one of the following criteria s/he is independent: 1. Born before January 1, 1972.		Copy of birth certificate, drivers license, or baptismal certificate, passport, ID card (if the state requires a copy of birth certificate).	Applicant.	N/A	N/A	***Not time sensitive.*** May be collected at the time of or after the QAP sample has been drawn if there is no standard documentation already in the student's file.	

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WORKSHEET AM-3a (Continued)
STANDARD DOCUMENTATION AND TIMING GUIDELINES FOR VERIFYING STUDENT REPORTED AND INSTITUTIONAL DATA ITEMS

Data Item (Student-Reported)	Student Category	Standard Documentation	Provided By	Alternate Documentation	[illegible]		
Independency Status (continued) 2. Veteran of U.S. Armed Services.		VA document DD-214 (Member 4 copy).	Applicant.	N/A	N/A	***Not time sensitive.*** May be collected at the time of or after the QAP sample has been drawn if there is no standard documentation already in the student's file.	
3. Ward of the Court or both parents deceased.		Court document, or statement from the court , or official death certificates.	Applicant.	N/A	N/A	***Not time sensitive***. May be collected at the time of or after the QAP sample has been drawn if there is no standard documentation already in the students file.	
4. Have legal dependents other than spouse.		1040, copy of birth certificate(s), or signed statement.	Applicant.	N/A	N/A	***Not time sensitive***. May be collected at the time of or after the QAP sample has been drawn if there is no standard documentation already in the student's file.	

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WORKSHEET AM-3a (Continued)
STANDARD DOCUMENTATION AND TIMING GUIDELINES FOR VERIFYING STUDENT REPORTED AND INSTITUTIONAL DATA ITEMS

Data Item (Student-Reported)	Student Category	Standard Documentation	Provided By	Alternate Documentation	[illegible] Documentation	[illegible]	[illegible]
Independency Status (continued) 5. Married or separated student.		1040, copy of marriage license/ certificate.	Applicant.	N/A	N/A	***Not time sensitive.*** May be collected at the time of or after the QAP sample has been drawn if there is no standard documentation already in the student's file.	
6. Graduate/ professional student.		Copy of graduate enrollment status or other institutional confirmation.	Institution.	N/A	N/A	***Not time sensitive.*** May be collected at the time of or after the QAP sample has been drawn if there is no standard documentation already in the file.	

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WORKSHEET AM-3a (Continued)
STANDARD DOCUMENTATION AND TIMING GUIDELINES FOR VERIFYING STUDENT REPORTED AND INSTITUTIONAL DATA ITEMS

Data Item (Student-Reported)	Student Category	Standard Documentation	Provided By	Alternate Documentation	[illegible] Documentation	[illegible]	[illegible]
Untaxed Income and Benefits 1. Social Security	Independent.	If none reported, signed statement that no benefits were received	Applicant and Spouse.	N/A	N/A	***Not time sensitive.*** May be collected at the time or after the QAP sample has been drawn if there is no standard documentation already in the student's file.	
		or Document from the Social Security Administration, 1040	Applicant and Spouse.	N/A	N/A		
		or Signed statement from applicant and spouse.	Applicant and Spouse.	N/A	N/A		
	Dependent.	If none reported, signed statement that no benefits were received	Parents and Dependent Student.	N/A	N/A	***Not time sensitive.*** May be collected at the time or after the QAP sample has been drawn if there is no standard documentation already in the student's file.	
		or Document from the Social Security Administration, 1040	Parents and Dependent Student.	N/A	N/A		
		or Signed statement from parents **AND** applicant.	Parents and Dependent Student.	N/A	N/A		

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WORKSHEET AM-3a (Continued)
STANDARD DOCUMENTATION AND TIMING GUIDELINES FOR VERIFYING STUDENT REPORTED AND INSTITUTIONAL DATA ITEMS

Data Item (Student-Reported)	Student Category	Standard Documentation	Provided By	Alternate Documentation	Allowable Percent of Alternate Documentation	[illegible] Documentation [illegible] Collection	[illegible] Institution?
Untaxed Income and Benefits (continued) 2. Child Support.	Independent	Signed statement certifying amount received for all children in the household	Applicant/Spouse.	N/A	N/A	***Not time sensitive.*** May be collected at the time of or after the QAP sample has been drawn if there is no standard documentation already in the student's file.	
		or					
		Separation or divorce decree	Applicant/Spouse.	N/A	N/A		
		or					
		Signed statement from the parent who provided the support showing amount of child support provided. (If none reported, signed statement that no child support was received).	Applicant/Spouse.	N/A	N/A		

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WORKSHEET AM-3a (Continued)
STANDARD DOCUMENTATION AND TIMING GUIDELINES FOR VERIFYING STUDENT REPORTED AND INSTITUTIONAL DATA ITEMS

Data Item (Student Reported)	Category	Standard Documentation	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Untaxed Income and Benefits (continued) Child Support (continued).	Dependent.	Signed statement certifying amount received for all children in the household	Parent(s) and Dependent Student.	N/A	N/A	***Not time sensitive***. May be collected at the time of or after the QAP sample has been drawn if there is no standard documentation already in the student's file.	
		or					
		Separation agreement or divorce decree	Parent(s) and Dependent Student.	N/A	N/A		
		or					
		Signed statement from the parent who provided the support, showing amount of child support provided. (If none reported, signed statement that no child support was received).	Parent(s) and Dependent Student.	N/A	N/A		

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WORKSHEET AM-3a (Continued)
STANDARD DOCUMENTATION AND TIMING GUIDELINES FOR VERIFYING STUDENT REPORTED AND INSTITUTIONAL DATA ITEMS

Data Item (Student-Reported)	Student Category	Standard Documentation	Provided By	Alternate Documentation	Allowable Percent of Alternate Documentation	Appropriate Time for Documentation Collection	Where is the Information Located at the Institution?
Untaxed Income and Benefits (continued) 3. VA Non-Educational Benefits.	Independent.	Award Letter from VA or Signed statement from applicant.	Applicant.	N/A	N/A	***Not time sensitive.*** May be collected at the time of or after the QAP sample has been drawn if there is no standard documentation already in the student's file.	
4. ADC/AFDC.	Independent.	Signed statement from applicant.	Applicant.	N/A	N/A	***Not time sensitive***. May be collected at the time of or after the QAP sample has been drawn if there is no standard documentation already in the student's file.	
	Dependent.	Signed statement from parent or Statement from Social Services.	Parent.	N/A	N/A	***Not time sensitive.*** May be collected at the time of or after the QAP sample has been drawn if there is no standard documentation already in the student's file.	

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WORKSHEET AM-3a (Continued)
STANDARD DOCUMENTATION AND TIMING GUIDELINES FOR VERIFYING STUDENT REPORTED AND INSTITUTIONAL DATA ITEMS

Data Item (Student-Reported)	Student Category	Standard Documentation	Provided By	Alternate Documentation	[illegible] Documentation	[illegible]	[illegible]
Untaxed Income and Benefits (continued)							
5. Other Untaxed Income and Benefits: • IRA or KEOGH, • Tax exempt interest-income, • Foreign income exclusions, • Interest on tax-free bonds, • Untaxed portion of pensions.	Independent	U.S. Income Tax Return.	Applicant and Spouse	N/A	N/A	***Not time sensitive***. May be collected at the time of or after the QAP sample has been drawn if there is no standard documentation already in the student's file.	
	Dependent.	U.S. Income Tax Return.	Parents and Dependent Student.	N/A	N/A	***Not time sensitive***. May be collected at the time of or after the QAP sample has been drawn if there is no standard documentation already in the student's file.	

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WORKSHEET AM-3a (Continued)
STANDARD DOCUMENTATION AND TIMING GUIDELINES FOR VERIFYING STUDENT REPORTED AND INSTITUTIONAL DATA ITEMS

Data Item (Student Reporting)	[illegible] Category	Standard Documentation	Provided By	Alternate Documentation	[illegible] Documentation	[illegible]	[illegible]
Title IV Income Exclusions	Independent.	IRS Form W-2 and verification of child support paid for dependents not living with applicant/spouse or Signed statement from applicant and spouse or Worksheet #3 from FASFAA	Applicant and Spouse.	N/A	N/A	***Not time sensitive***. May be collected at the time of or after the QAP sample has been drawn if there is no standard documentation already in the student's file.	
	Dependent.	IRS Form W-2 and verification of child support paid out or Signed statement from parent and/or applicant or Worksheet #3 from FASFAA.	Parents and Dependent Student.			***Not time sensitive***. May be Collected at the time of or after the QAP sample has been drawn if there is no standard documentation already in the student's file.	

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WORKSHEET AM-3a (Continued)
STANDARD DOCUMENTATION AND TIMING GUIDELINES FOR VERIFYING STUDENT REPORTED AND INSTITUTIONAL DATA ITEMS

Data Item (Institutional)	Student Category	Standard Documentation	Provided By	Alternate Documentation	[illegible] Alternate Documentation	[illegible] Collection	[illegible] Institution
Statement of Educational Purpose/ Certification Statement on Refund and Default	All Applicants.	SAR part I or Institutional SEP/Certification Statement on Refund and Default or Award letter or Registration or administrative disbursement forms that have SEP/Certification Statement on Refund at Default.	Institution.	N/A	N/A	***Not time sensitive.*** May be verified any time after the QAP sample is drawn.	

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WORKSHEET AM-3a (Continued)
STANDARD DOCUMENTATION AND TIMING GUIDELINES FOR VERIFYING STUDENT REPORTED AND INSTITUTIONAL DATA ITEMS

Data Item (Institutional)	**Student Category**	**Standard Documentation**	**Provided By**	**Alternate Documentation**	**Allowable Percent of Alternate Documentation**	**[illegible] Collection**	**[illegible] Institution?**
Selective Service Compliance Statement	All male applicants that are 18 years or older, but not born before 1960, and are not active members of the Armed Forces.	Title IV SSCS Match or Separate Institutional SSCS Form or Letter from Selective Service.	Institution.	N/A	N/A	***Not time sensitive***. May be verified anytime after the QAP sample is drawn.	
Satisfactory Academic Progress (According to the institution's SAP policy.)	All Applicants.	Students academic record for the appropriate academic period or List of students not maintaining SAP.	Institution.	N/A	N/A	***Time sensitive.*** Varies with institutional policy (e.g., • At each disbursement, or • At beginning of academic year).	

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WORKSHEET AM-3a (Continued)
STANDARD DOCUMENTATION AND TIMING GUIDELINES FOR VERIFYING STUDENT REPORTED AND INSTITUTIONAL DATA ITEMS

Data Item (Institutional)	Student Category	Standard Documentation	Provided By	Alternate Documentation	Documentation	[illegible]	[illegible]
Financial Aid Transcript	All Applicants.	A FAT must be in a student's file if the student attended other eligible institutions. The FAT statement must be in the student's original file at the time of QAP measurement.	Institution.	N/A	N/A	***Not time sensitive.*** May be verified any time after the QAP sample is drawn.	
Cost of Attendance	All applicants.	Recomputed COA and student budgets.	Institution- Copies of each type of budget for each program should be in your QAP file.	N/A	N/A	***Time sensitive.*** May be verified after the end of the institution's refund or add/drop period(s).	

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WORKSHEET AM-3a (Continued)
STANDARD DOCUMENTATION AND TIMING GUIDELINES FOR VERIFYING STUDENT REPORTED AND INSTITUTIONAL DATA ITEMS

Data Item (Institutional)	Student Category	Standard Documentation	Provided By	Alternate Documentation	[illegible] Percentage of Alternate Documentation	[illegible] Documentation Collection	[illegible] Institution?
Other Aid/ Resources	All applicants receiving Campus-based and/or Federal Stafford/Direct Loans.	Please refer to Chapter 5 of ED's Student Financial Aid Administrator's Handbook for specific information on items that should be considered as other aid/resources for the Campus-based and Stafford and Direct Loan Programs.	Institution - may require coordination with other offices (e.g.: • Bursar's disbursement records, • Academic Departments, • Listing of recipients of State aid, • FAO records of outside aid awarded to students (e.g., Rotary Scholarships, • VA office records, • Athletic aid, and • JTPA and vocational rehabilitation).	N/A	N/A	***Time sensitive.*** For **traditional enrollment institutions,** do not verify before March 1 (regardless of whether student attended fall and spring terms or only the spring term) For **non-traditional enrollment institutions,** verify as close to QAP measurement/completion of Worksheet AM-4 as possible.	
Enrollment Status	All applicants.	Registration or academic records.	Institution.	N/A	N/A	***Time sensitive.*** May be verified after the end of the institution's refund or add/drop period(s).	

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WORKSHEET AM-3a (Continued)
STANDARD DOCUMENTATION AND TIMING GUIDELINES FOR VERIFYING STUDENT REPORTED AND INSTITUTIONAL DATA ITEMS

Data Item (Institutional)	Student Category	Standard Documentation	Provided By	[illegible] Documentation	[illegible]	[illegible]	[illegible]
Disbursement Amount	All Applicants.	The amount of aid from each federal program that is actually disbursed (paid to recipient and/or credited to his or her account).	Institution.	N/A	N/A	***Time sensitive.*** For **traditional enrollment institutions,** not before March 1 (regardless of whether student attended both fall and spring terms or only the spring term) For **non-traditional enrollment institutions,** verify as close to QAP measurement/ completion of Worksheet AM-4 as possible.	
Title IV Refund	Varies according to institutional policy.	Academic records, copies of refund checks, and so on.	Institution may involve coordination with other offices (e.g., • Registrar, • Bursar, • Academic Departments).	N/A	N/A	Varies according to institutional policy.	

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WORKSHEET AM-4: QAP Software Data Entry Form
FOR QA PROGRAM YEAR 1995 TO 1996

Page 1 of 8

Case #: ____________________ **Certification #:** 1 2 3

SSN: _____-_____-_____ **Year in School**[1]: 1 2 3 4 5 6 7 8 9 10

Name: ____
Last First MI

MOST RECENT AWARDS/CERTIFICATIONS/ORIGINATIONS

FPell $______
FSEOG $______ FPerkins $______ FW-S $______
FStafford/Direct Loan $______ Loan Start ___/___/___

DEPENDENCY STATUS

Most Recent D I Documented D I Document Code[2] ___ Report Code ___

STUDENT INPUTS

	Student Data		Parent Data		Codes	
	MR	Doc'd	MR	Doc'd	Doc	Rpt
AGI	$	$	$	$		
US Taxes Paid	$	$	$	$		
Untaxed Income						
Social Security	$	$	$	$		
AFDC/ADC	$	$	$	$		
Child Support	$	$	$	$		
Other Nontaxed	$	$	$	$		
Title IV Exclusions	$	$	$	$		
Household Size						
# in College						

If the student's documented status is "D", the Doc and Rpt Codes are stored as Parent codes; if his/her documented status is "I", the Codes are Student codes.

---

[1] Year in School: 1 = 1st year/never attended college; 2 = 1st year/attended college before; 3 = 2nd year/sophomore; 4 = 3rd year/junior; 5 = 4th year/senior; 6 = 5th year/other undergraduate; 7 = 1st year graduate/professional; 8 = 2nd year graduate/professional; 9 = 3rd year graduate/professional; 10 = Beyond 3rd year graduate/professional.

[2] Document Codes: 1 = Standard Documentation; 2 = Alternate Documentation; 3 = Professional Judgment; 4 = Missing; 5 = N/A.

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WORKSHEET AM-4: QAP Software Data Entry Form

Page 2 of 8

Case #: ______________________ **Certification #:** 1 2 3

CATEGORICAL ITEMS

Selective Service Compliance Statement Verified?	Yes	No
Statement of Educational Purpose/Certification Statement Refund and Default	Yes	No
Satisfactory Academic Progress?	Yes	No

Enter disbursements/amount certified while student was *not* maintaining Satisfactory Academic Progress:

FPell $__________

FSEOG $__________ FPerkins $__________ FW-S $__________

FStafford/Direct Loan $__________

Financial Aid Transcript Required?	Yes	No
Financial Aid Transcript Present?	Yes	No

If FAT is required and not present, enter amounts for FPell, FC-B, or FStafford/Direct Loan disbursed while the FAT was missing:

FPell $__________

FSEOG $__________ FPerkins $__________ FW-S $__________

FStafford/Direct Loan $__________

REFUND AND REPAYMENT

Did the student withdraw?	Yes	No
Was recalculation of Title IV aid necessary?	Yes	No
If yes, was the recalculation completed?	Yes	No
Was this student subject to a 30-day loan delay?	Yes	No

WORKSHEET AM-4: QAP Software Data Entry Form

Page 3 of 8

Case #: ____________________ Certification #: 1 2 3

ENROLLMENT[3]

Fiscal Year (FPell Grants)	Enrollments		Weights	
	MR	Doc'd	MR	Doc'd
Period 1				
Period 2				
Period 3				
Period 4				
Academic Year (Other Title IV)	**Enrollments**		**Weights**	
	MR	**Doc'd**	**MR**	**Doc'd**
Period 1				
Period 2				
Period 3				
Period 4				

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[3] F= Full Time; T = Three-Quarter Time; H = Halftime; L = Less Than Halftime; N = Not Enrolled

WORKSHEET AM-4: QAP Software Data Entry Form

Page 4 of 8

Case #: ______________________ **Certification #:** 1 2 3

FC INPUTS (Required only if case is out-of-tolerance.)

DOB ___/___/___ (mm dd yy) Orphan? Y N Grad Student? Y N Veteran? Y N Dependents? Y N

	Student Most Recent	Parent Most Recent	Student Documented	Parent Documented
Legal State				
Marital Status[4]	1 2 3	1 2 3	1 2 3	1 2 3
# in Household				
# in College				
1994 Return Type[5]	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
1994 Exemptions				
AGI				
U.S. Taxes Paid				
Income (Student/Father)				
Income (Spouse/Mother)				
Social Security				
AFDC/ADC				
Child Support				
Other Nontaxed				
Title IV Income Exclusions				
Cash Worth				
Investment Worth				
Investment Debt				
Business Worth				
Business Debt				

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[4] Marital Status: 1 = Single, Widowed, or Divorced; 2 = Married; 3 = Separated.

[5] Return Types: 1 = 1040 A or EZ; 2 = 1040; 3 = Estimated 1040 A or EZ; 4 = Estimated 1040; 5 = Non-Filer.

WORKSHEET AM-4: QAP Software Data Entry Form

Page 5 of 8

Case #: ______________________________ **Certification #:** 1 2 3

	Student Most Recent	Parent Most Recent	Student Documented	Parent Documented
Farm Worth				
Farm Debt				
Age of Older Parent				
FCB Budget Months				
FStafford Budget Months				
FDirect Loan Budget Months				

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WORKSHEET AM-4: QAP Software Data Entry Form

Page 6 of 8

Case #: ______________________ **Certification #:** 1 2 3

OVERRIDES (Required only if overrides are not the same as Setup defaults.)

FC Assumption and Reject Overrides are used when a student's FC calculation needs to be adjusted due to special circumstances. For example, if a student has 15 verified persons in the household, the user needs to activate the Unusually Large Household reject override. This override prevents an error flag from appearing because of the large household size and allows the FC to successfully calculate.

FC Assumption Overrides	
	Parent # in hh: 3 IF Parents married AND # in hh = 2
	Parent # in college: 1 IF # in college = # in hh AND > 2
	Parent # in college: 1 IF # in college > 6
	Parent AGI: Father + Mother Income IF Parent AGI = 0
	# in College: 1 IF # in college = # in hh AND > 2
	AGI: Student Income IF Indep AND AGI = 0
	AGI: Student + Spouse Income IF Indep. Married AND AGI = 0
	SocSec: 0 IF SocSec = Parent SocSec AND > 0
	Investment: 0 IF Investment = Parent Investment AND > 0
	Bus Value: 0 IF Bus Value = Parent Bus Value AND > 0
	Farm Value: 0 IF Farm Value = Parent Farm Value AND > 0
	Mother Income: Parent AGI if father's and mother's income both = 0 AND AGI is > 0
	Student Income: Student AGI if student's and spouse's income both = 0 AND AGI is > 0
FC Reject Overrides	
	Dependent Student investment value out of range (Code G)
	Dep/Parent OR Indep/Student investment value out of range (Code U)
	Unusually large household (# > 14) (Code W)
	Dependency status inconsistent with factors
	Name is blank (Code N)

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WORKSHEET AM-4: QAP Software Data Entry Form

Page 7 of 8

Case #: ______________________ **Certification #:** 1 2 3

AWARD INPUTS

Do not complete shaded areas.

		Most Recent	Documented
FPell	FC Calculated[6]		
	FC Used		
	COA		
	Disbursed		
FCampus-based	FC Calculated		
	FC Used		
	COA		
	Resources	FPell:	FPell:
		FStafford/DL:	FStafford/DL:
		Other:	Other:
		Non-Need Based:	Non-Need Based:
	Disbursed		
	a. FSEOG		
	b. FPerkins		
	c. FW-S		
FStafford/Direct Loan	FC Calculated		
	FC Used		
	COA		
	Resources	FPell:	FPell:
		FCB:	FCB:
		Other:	Other:
		Non-Need Based:	Non-Need Based:
	Disbursed		

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[6] Software calculates for out-of-tolerance cases.

WORKSHEET AM-4: QAP Software Data Entry Form

Page 8 of 8

Case #: ________________________ **Certification #:** 1 2 3

COMMENTS (Optional)

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WORKSHEET QI-1
SCHEDULE OF ACTIVITIES FOR THE QUALITY IMPROVEMENT TASK[1]

Quality Improvement Activity	Suggested Date for Successful Implementation	Staff Responsible/ Team Member	Date Completed (Actual)
Select team members to complete QI activities.	Initiate after completion of AM Task and submission of data diskette.		
Complete Worksheet QI-1: Schedule of Activities for the Quality Improvement Task.	Initiate after completion of AM Task and submission of data diskette.		
Complete Worksheet QI-2: Quality Improvement Action Plan.	July 15 - August 15		
Implement Quality Improvements.	August 15 - February 15		
Monitor and Follow-up.	August 15 - February 15		
Submit Mid-Year Report.	February 15		
Submit End-Of-Year Report.	August 15		

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[1] Make a copy of this Worksheet for each team member responsible for completing Quality Improvement activities. Post one copy in the office, and place the original schedule in your master QAP File.

WORKSHEET QI-2
QUALITY IMPROVEMENT ACTION PLAN
High or Low Priority: ______

1. Improvement Item: ______

2. Improvement Action: ______

3. Lead Person, Title, and Office: ______

4. Other Campus Office(s) — Representative(s) Involved:
1) ______ 5) ______
2) ______ 6) ______
3) ______ 7) ______
4) ______ 8) ______

	Projected Dates	Actual Dates
5. Implementation Start Date:		
Implementation End Date:		

6. Long- or Near-Term Quality Improvement Action? ______

EXAMPLE

WORKSHEET QI-2
QUALITY IMPROVEMENT ACTION PLAN

High or Low Priority: High

1. Improvement Item: *Number in College*

2. Improvement Action: *Developed a form to verify sibling/parent enrollment at other institutions.*

3. Lead Person, Title, and Office: *Jane Doe, Assistant Director, FAO*

4. Other Campus Office(s) — Representative(s) Involved:

1) Admissions	5)
2) *Registrar*	6)
3)	7)
4)	8)

	Projected Dates	Actual Dates
5. Implementation Start Date:	*October 16, 1995*	*October 22, 1995*
Implementation End Date:	*October 30, 1995*	*November 3, 1995*

6. Long- or Near-Term Quality Improvement Action? *Near-term action*

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❖ APPENDIX F

DERIVATION OF SAMPLE SIZES

Mean of the Reading:		3.71
Standard deviation:		14.98
Bound @:	50.00%	1.855
Confidence: 95%	t-value	1.96
Non-response rate:		5.00%

Management sample:
80% 1.28 t-value

Required Sample Size: (sampling fraction smaller than about 1/30)	251

Required Sample Size	107

REGULAR SAMPLE

Size of target population	Required Sample	Apply *fpc*	Add non-response	Percent sampled
50	251	42	44	88%
100	251	71	75	75%
150	251	94	99	66%
200	251	111	117	58%
250	251	125	131	53%
300	251	137	143	48%
350	251	146	153	44%
400	251	154	162	40%
500	251	167	175	35%
600	251	177	186	31%
700	251	184	194	28%
800	251	191	200	25%
900	251	196	206	23%
1000	251	200	210	21%
2000	251	223	234	12%
3000	251	231	243	8%
4000	251	236	248	6%
5000	251	239	250	5%
6000	251	240	253	4%
7000	251	242	254	4%
8000	251	243	255	3%
9000	251	244	256	3%
10000	251	251	263	3%

MANAGEMENT SAMPLE

Required Sample	Apply *fpc*	Add non-response	Percent sampled
107	34	36	72%
107	52	54	54%
107	62	66	44%
107	70	73	37%
107	75	79	31%
107	79	83	28%
107	82	86	25%
107	84	89	22%
107	88	92	18%
107	91	95	16%
107	93	97	14%
107	94	99	12%